

Schlumberger Drilling and Measurements
Drilling Group
Geo Market Area: South West Texas Basin
7220 W I-H 20
Midland, Texas 79706
Phone : (432) 742-5400 (Main)
Fax : (432) 742-5606 (Shared)

Schlumberger

30-015-44775

May 2, 2018

OXY USA INC.

**NM OIL CONSERVATION
ARTESIA DISTRICT**

AUG 16 2018

RECEIVED

Re:

CLIENT: OXY USA INC.
WELL: Cal Mon MDP1 35 Federal 5H
FIELD: Cotton Draw Bone Spring

RIG: H&P 656
COUNTY: Eddy
API NO: 30-015-44775
JOB NO: 18MLD1822

35, 23S, 31E, Eddy NM
32.26780 103.74200

Enclosed, please find the original copy of the survey performed on the referenced well by Drilling & Measurements, a division of Schlumberger Technology Corporation (P-5 No. 754900).
Other information required by your office is as follows.

<u>Name & Title of Surveyor</u>	<u>Drainhole Number</u>	<u>Surveyed Depths</u>	<u>Dates Performed</u>	<u>Type of Survey</u>
Cen Chen FE	Cal Mon MDP1 35 Federal 5H Original Hole	10143.00 Ft to 14789.00 Ft	March 19, 2018 to April 18, 2018	TelePacer

If any other information is required, please contact the undersigned at the above letterhead and phone number.
Sincerely,

Field Service Manager

Schlumberger Drilling and Measurements
Drilling Group
Geo Market Area: South West Texas Basin
7220 W I-H 20
Midland, Texas 79706
Phone : (432) 742-5400 (Main)
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Schlumberger

Well Reference:
35, 23S, 31E, Eddy NM
32.26780 103.74200

I, Cen Chen certify that; I am employed by Drilling & Measurements, a division of Schlumberger Technology Corporation; that I did on the day(s) of March 19, 2018 through April 18, 2018, conduct or supervise the taking of the TelePacer surveys from a depth of 10143.00 feet to a depth of 14789.00 feet referenced to driller's depth; that the data is true, correct, complete and within the limitations of the tool as set forth by Drilling & Measurements, a division of Schlumberger Technology Corporation; that I am authorized and qualified to make this report; that this survey was conducted at the request of OXY USA INC. for the Cal Mon MDPI 35 Federal 5H Well (Original Hole) API No. 30-015-44775 in New Mexico; and that I have reviewed this report and find that it conforms to the principals and procedures as set forth by Drilling & Measurements, a division of Schlumberger Technology Corporation.

By Cen Chen
Cen Chen
FE

Subscribed and Sworn to before me this 2nd day of May (month) 2018 (yr)

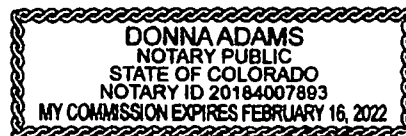
My Commission expires:

2-16-2022

D. Adams
Notary Public

(signature)

Adams County Colorado
(County State)



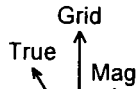
Schlumberger

OXY

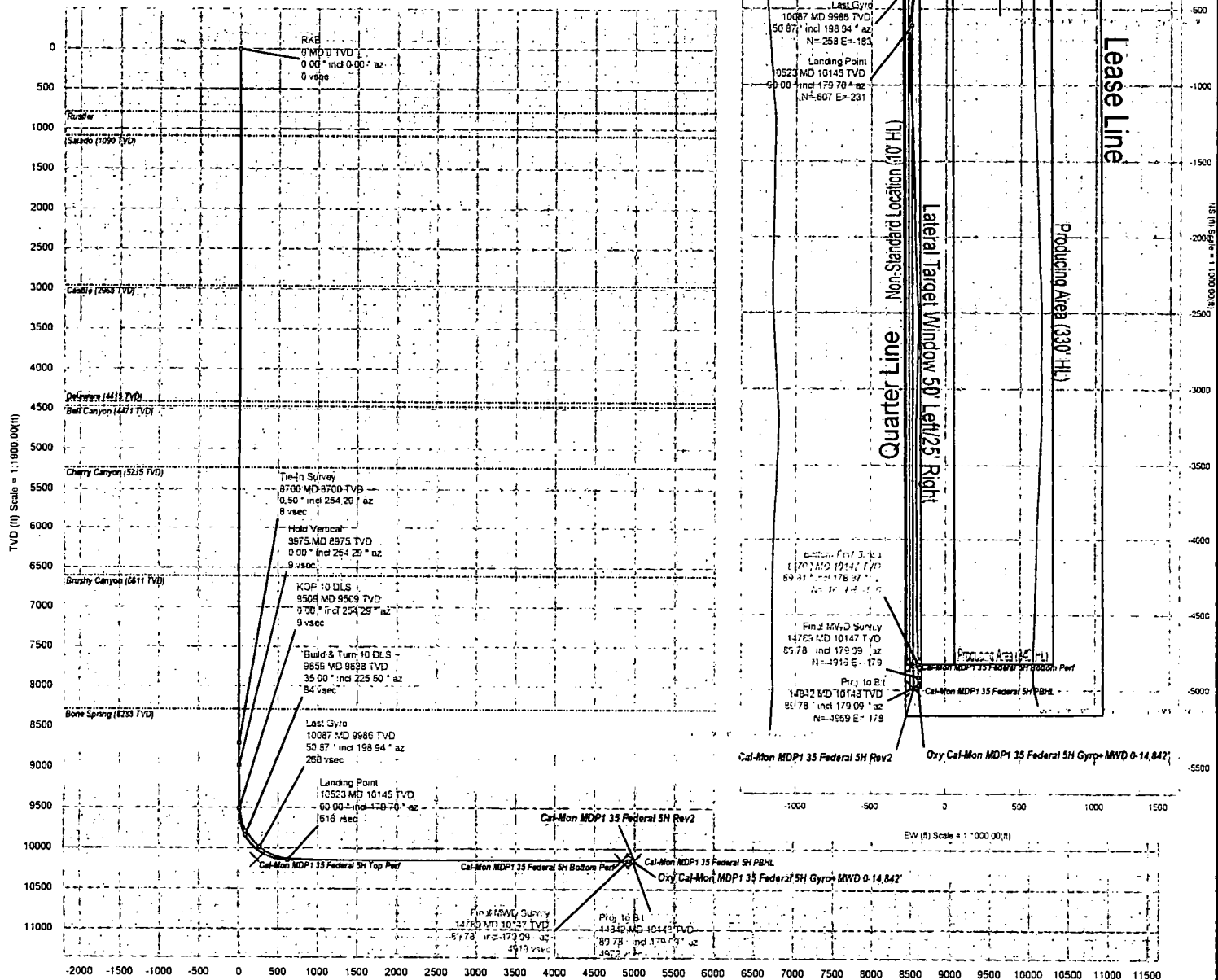


Borehole:	Well:	Field:	Structure:
Original Borehole	Oxy Cal-Mon MDP1 35 Federal 5H	NM Eddy County (NAD 83)	Oxy Cal-Mon MDP1 35 Federal 5H

Gravity & Magnetic Parameters				Surface Location				Miscellaneous			
Model	MDGM 2015	Dip	60.018°	Date	13-Apr-2018	NAD83 New Mexico State Plane, Eastern Zone, US Feet		Oxy Cal-Mon			
MagDec	6.895°	F5	48064.406nT	Gravity F5	998.446mgn (9.80665 Based)	Lat: N 32 16 4.35	Northing: 481688.887US	Grid Conv	0.315°	Slat	MDP1 35 Federal 5H
						Lon: W 103 44 36.13	Eastings: 723687.177US	Scale Fact	0.99994717	TVD Ref	RKB=26.5' (3494.6ft above MSL)
										Plan	Cal-Mon MDP1 35 Federal 5H Rev2



Grid North
Tot Corr (M->G 6.580°)
Mag Dec (6.895°)
Grid Conv (0.315°)



Vertical Section (ft) Azim = 182.38° Scale = 1 1900.00(ft) Origin = ON-S, 0E-W

Oxy Cal-Mon MDP1 35 Federal 5H Gyro+MWD 0-14,842' Survey Geodetic Report (Def Survey)



Report Date: April 19 2018 - 08:55 AM
 Client: OXY
 Field: NM Eddy County (NAD 83)
 Structure / Slot: Oxy Cal-Mon MDP1 35 Federal 5H / Oxy Cal-Mon MDP1 35 Federal 5H
 Well: Oxy Cal-Mon MDP1 35 Federal 5H
 Borehole: Original Borehole
 UWI / API#: Unknown / 30-015-44775
 Survey Name: Oxy Cal-Mon MDP1 35 Federal 5H Gyro+MWD 0-14,842'
 Survey Date: April 08 2018
 Tort / AHD / DDI / ERD Ratio: 161 256 / 5056 444 ft / 6 076 / 0 498
 Coordinate Reference System: NAD83 New Mexico State Plane, Eastern Zone, US Feet
 Location Lat / Long: N 32° 16' 4 34706", W 103° 44' 36 12757"
 Location Grid N/E Y/X: N 461686 890 RUS, E 723687 170 RUS
 CRS Grid Convergence Angle: 0 3150 '
 Grid Scale Factor: 0 99994717
 Version / Patch: 2 10 715 0

Survey / DLS Computation: Minimum Curvature / Lubinski
 Vertical Section Azimuth: 182 383 ' (Grid North)
 Vertical Section Origin: 0 000 ft, 0 000 ft
 TVD Reference Datum: RKB=26 5'
 TVD Reference Elevation: 3494 600 ft above MSL
 Seabed / Ground Elevation: 3468 100 ft above MSL
 Magnetic Declination: 6 897 '
 Total Gravity Field Strength: 998 445mgm (9 80665 Based)
 Gravity Model: GARM
 Total Magnetic Field Strength: 48066 003 nT
 Magnetic Dip Angle: 60 018 '
 Declination Date: April 08, 2018
 Magnetic Declination Model: HDGM 2018
 North Reference: Grid North
 Grid Convergence Used: 0 3150 '
 Total Corr Mag North->Grid North: 6 5818 '
 Local Coord Referenced To: Well Head

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (RUS)	Easting (RUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
RKB	0 00	0 00	0 00	0 00	0 00	0 00	0 00	N/A	461686 89	723687 17	N 32 16 4 35 W 103 44 36 13	
SHL	26 50	0 00	0 00	26 50	0 00	0 00	0 00	0 00	461686 89	723687 17	N 32 16 4 35 W 103 44 36 13	
	77 20	0 25	132 01	77 20	0 07	-0 07	0 08	0 00	461686 82	723687 25	N 32 16 4 35 W 103 44 36 13	
	169 00	0 37	136 71	169 00	0 41	-0 42	0 43	0 13	461686 47	723687 60	N 32 16 4 34 W 103 44 36 12	
	261 30	0 48	153 85	261 30	0 95	-0 99	0 81	0 18	461685 90	723687 98	N 32 16 4 34 W 103 44 36 12	
	352 80	0 41	171 69	352 79	1 61	-1 66	1 03	0 17	461685 23	723688 20	N 32 16 4 33 W 103 44 36 12	
	445 00	0 35	197 76	444 99	2 21	-2 25	0 99	0 20	461684 64	723688 16	N 32 16 4 32 W 103 44 36 12	
	537 50	0 42	201 87	537 49	2 80	-2 83	0 77	0 08	461684 06	723687 94	N 32 16 4 32 W 103 44 36 12	
	629 30	0 48	220 00	629 29	3 42	-3 44	0 40	0 07	461683 45	723687 57	N 32 16 4 31 W 103 44 36 12	
	720 60	0 54	223 67	720 58	4 05	-4 05	-0 14	0 07	461682 85	723687 03	N 32 16 4 31 W 103 44 36 13	
	811 80	0 68	232 19	811 78	4 72	-4 69	-0 87	0 18	461682 20	723686 30	N 32 16 4 30 W 103 44 36 14	
	903 70	0 19	222 76	903 67	5 19	-5 13	-1 40	0 54	461681 76	723685 77	N 32 16 4 30 W 103 44 36 14	
	998 30	0 04	252 67	998 27	5 32	-5 26	-1 54	0 17	461681 63	723685 63	N 32 16 4 30 W 103 44 36 15	
	1092 60	0 08	273 18	1092 57	5 33	-5 27	-1 63	0 05	461681 63	723685 54	N 32 16 4 30 W 103 44 36 15	
	1187 40	0 07	262 30	1187 37	5 34	-5 27	-1 76	0 02	461681 62	723685 41	N 32 16 4 30 W 103 44 36 15	
	1282 20	0 07	270 10	1282 17	5 35	-5 28	-1 87	0 01	461681 61	723685 30	N 32 16 4 29 W 103 44 36 15	
	1377 10	0 07	265 74	1377 07	5 36	-5 28	-1 99	0 01	461681 61	723685 18	N 32 16 4 29 W 103 44 36 15	
	1471 90	0 07	273 31	1471 87	5 36	-5 28	-2 10	0 01	461681 61	723685 07	N 32 16 4 29 W 103 44 36 15	
	1566 60	0 06	265 72	1566 57	5 37	-5 28	-2 21	0 01	461681 61	723684 96	N 32 16 4 29 W 103 44 36 15	
	1660 90	0 06	256 31	1660 87	5 39	-5 30	-2 31	0 01	461681 59	723684 86	N 32 16 4 29 W 103 44 36 15	
	1755 70	0 05	266 45	1755 67	5 41	-5 31	-2 40	0 01	461681 58	723684 77	N 32 16 4 29 W 103 44 36 16	
	1850 40	0 06	271 35	1850 37	5 41	-5 31	-2 49	0 01	461681 58	723684 68	N 32 16 4 29 W 103 44 36 16	
	1945 20	0 06	247 68	1945 17	5 43	-5 33	-2 59	0 03	461681 56	723684 59	N 32 16 4 29 W 103 44 36 16	
	2039 90	0 05	251 79	2039 87	5 47	-5 36	-2 67	0 01	461681 53	723684 50	N 32 16 4 29 W 103 44 36 16	
	2134 40	0 05	267 05	2134 37	5 49	-5 38	-2 75	0 01	461681 51	723684 42	N 32 16 4 29 W 103 44 36 16	
	2228 70	0 07	263 67	2228 67	5 50	-5 39	-2 85	0 02	461681 50	723684 32	N 32 16 4 29 W 103 44 36 16	
	2323 50	0 06	246 60	2323 47	5 53	-5 41	-2 95	0 02	461681 48	723684 22	N 32 16 4 29 W 103 44 36 16	
	2418 40	0 05	253 04	2418 37	5 57	-5 44	-3 04	0 01	461681 45	723684 13	N 32 16 4 29 W 103 44 36 16	
	2513 10	0 06	251 77	2513 07	5 60	-5 47	-3 12	0 01	461681 42	723684 05	N 32 16 4 29 W 103 44 36 16	
	2607 70	0 06	260 47	2607 67	5 62	-5 50	-3 22	0 01	461681 39	723683 95	N 32 16 4 29 W 103 44 36 17	
	2702 30	0 06	267 49	2702 27	5 64	-5 51	-3 32	0 01	461681 38	723683 85	N 32 16 4 29 W 103 44 36 17	
	2797 20	0 06	253 88	2797 17	5 66	-5 52	-3 42	0 01	461681 37	723683 75	N 32 16 4 29 W 103 44 36 17	
	2891 90	0 06	244 06	2891 87	5 70	-5 56	-3 51	0 01	461681 33	723683 66	N 32 16 4 29 W 103 44 36 17	
	2986 80	0 06	243 21	2986 77	5 75	-5 60	-3 60	0 00	461681 29	723683 57	N 32 16 4 29 W 103 44 36 17	
	3081 60	0 05	255 37	3081 57	5 78	-5 63	-3 68	0 02	461681 26	723683 49	N 32 16 4 29 W 103 44 36 17	
	3176 40	0 06	226 86	3176 37	5 83	-5 68	-3 76	0 03	461681 21	723683 41	N 32 16 4 29 W 103 44 36 17	
	3271 20	0 03	208 87	3271 17	5 89	-5 73	-3 81	0 03	461681 16	723683 36	N 32 16 4 29 W 103 44 36 17	
	3365 90	0 02	308 86	3365 87	5 90	-5 75	-3 83	0 04	461681 14	723683 34	N 32 16 4 29 W 103 44 36 17	
	3460 70	0 06	285 90	3460 67	5 88	-5 72	-3 89	0 04	461681 17	723683 28	N 32 16 4 29 W 103 44 36 17	
	3555 40	0 06	158 82	3555 37	5 91	-5 75	-3 92	0 11	461681 14	723683 25	N 32 16 4 29 W 103 44 36 17	
	3650 00	0 03	174 87	3649 97	5 98	-5 83	-3 90	0 03	461681 07	723683 27	N 32 16 4 29 W 103 44 36 17	
	3744 70	0 02	210 43	3744 67	6 02	-5 86	-3 91	0 02	461681 03	723683 26	N 32 16 4 29 W 103 44 36 17	
	3839 50	0 04	219 84	3839 47	6 06	-5 90	-3 94	0 02	461680 99	723683 23	N 32 16 4 29 W 103 44 36 17	
	3934 30	0 01	168 28	3934 27	6 10	-5 94	-3 96	0 04	461680 95	723683 21	N 32 16 4 29 W 103 44 36 17	
	4029 10	0 01	168 28	4029 07	6 11	-5 95	-3 95	0 00	461680 94	723683 22	N 32 16 4 29 W 103 44 36 17	
	4123 70	0 02	181 88	4123 67	6 14	-5 98	-3 95	0 01	461680 91	723683 22	N 32 16 4 29 W 103 44 36 17	
	4218 60	0 04	245 90	4218 57	6 17	-6 01	-3 98	0 04	461680 88	723683 19	N 32 16 4 29 W 103 44 36 17	
	4313 20	0 06	234 58	4313 17	6 21	-6 05	-4 05	0 02	461680 84	723683 12	N 32 16 4 29 W 103 44 36 18	
	4407 90	0 10	233 85	4407 87	6 30	-6 13	-4 16	0 04	461680 76	723683 01	N 32 16 4 29 W 103 44 36 18	
	4502 70	0 09	237 67	4502 67	6 39	-6 22	-4 29	0 01	461680 67	723682 88	N 32 16 4 29 W 103 44 36 18	
	4597 40	0 09	256 38	4597 37	6 45	-6 27	-4 42	0 03	461680 62	723682 75	N 32 16 4 29 W 103 44 36 18	
	4692 10	0 05	228 81	4692 07	6 50	-6 32	-4 53	0 05	461680 57	723682 64	N 32 16 4 29 W 103 44 36 18	
	4786 90	0 04	25 75	4786 87	6 50	-6 32	-4 54	0 09	461680 57	723682 63	N 32 16 4 28 W 103 44 36 18	
	4881 70	0 04	312 95	4881 67	6 45	-6 26	-4 55	0 05	461680 63	723682 62	N 32 16 4 29 W 103 44 36 18	
	4976 50	0 09	281 97	4976 47	6 40	-6 21	-4 65	0 06	461680 68	723682 52	N 32 16 4 29 W 103 44 36 18	
	5071 20	0 10	284 35	5071 17	6 36	-6 16	-4 80	0 02	461680 73	723682 37	N 32 16 4 29 W 103 44 36 18	
	5166 00	0 10	283 21	5165 97	6 33	-6 13	-4 96	0 00	461680 76	723682 21	N 32 16 4 29 W 103 44 36 19	
	5260 90	0 14	292 13	5260 87	6 27	-6 06	-5 15	0 05	461680 83	723682 02	N 32 16 4 29 W 103 44 36 19	
	5355 60	0 17	267 81	5355 57	6 24	-6 02	-5 39	0 08	461680 87	723681 78	N 32 16 4 29 W 103 44 36 19	
	5450 30	0 22	268 98	5450 27	6 27	-6 03	-5 72	0 05	461680 86	723681 45	N 32 16 4 29 W 103 44 36 19	
	5545 10	0 11	242 95	5545 07	6 32	-6 08	-5 98	0 14	461680 81	723681 19	N 32 16 4 29 W 103 44 36 20	
	5639 70	0 07	222 73	5639 67	6 41	-6 16	-6 10	0 05	461680 73	723681 07	N 32 16 4 29 W 103 44 36 20	
	5734 30	0 07	279 24	5734 27	6 45	-6 19	-6 19	0 07	461680 70	723680 98	N 32 16 4 29 W 103 44 36 20	
	5829 00	0 07	253 83	5828 97	6 46	-6 20	-6 31	0 03	461680 69	723680 86	N 32 16 4 29 W 103 44 36 20	
	5923 70	0 09	247 96	5923 67	6 51	-6 25	-6 43	0 02	461680 64	723680 74	N 32 16 4 29 W 103 44 36 20	
	6018 40	0 12	262 54	6018 37	6 56	-6 29	-6 60	0 04	461680 60	723680 57	N 32 16 4 29 W 103 44 36 20	
	6113 00	0 10	282 58	6112 97	6 56	-6 28	-6 78	0 05	461680 61	723680 39	N 32 16 4 29 W 103 44 36 21	
	6207 30	0 11	327 13	6207 27	6 47	-6 19	-6 91	0 08	461680 70	723680 26	N 32 16 4 29 W 103 44 36 21	
	6302 10	0 06	297 49	6302 07	6 37	-6 09	-7 00	0 07	461680 80	723680 17	N 32 16 4 29 W 103 44 36 21	
	6396 80	0 06	224 87	6396 77	6 39	-6 10	-7 08	0 08	461680 79	723680 09	N 32 16 4 29 W 103 44 36 21	
	6491 50	0 10	195 85	6491 47	6 51	-6 21	-7 14	0 06	461680 68	723680 03	N 32 16 4 29 W 103 44 36 21	
	6586 20	0 11	90 69	6586 17	6 58	-6 30	-7 07	0 18	461680 59	723680 10	N 32 16 4 29 W 103 44 36 21	
	6681 00	0 11	102 20	6680 97	6 60	-6 32	-6 89	0 02	461680 57	723680 28	N 32 16 4 28 W 103 44 36 21	
	6775 50	0 09	71 17	6775 47	6 59	-6 31	-6 73	0 06	461680 58	723680 44	N 32 16 4 28 W 103 44 36 21	
	6870 10	0 18	39 84	6870 07	6 44	-6 17	-6 56	0 12	461680 72	723680 61	N 32 16 4 29 W 103 44 36 20	
	6964 60	0 15										

Comments		MD	MD From	MD To	EOU Freq	Hole Size	Casing Diameter	Survey Tool Type	Borehole / Survey	Survey Error Model:										Survey Type:	Def Survey	ISCWSA Rev 0 ... 3-D 95 000% Confidence 2.7955 sigma										Survey Program:		Description	Part	MD From	MD To	EOU Freq	Hole Size	Casing Diameter	Survey Tool Type	Borehole / Survey	Proj. to Bit	Final MWVD	Survey	Proj. to Bit																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 9, 2017

Oxy USA Inc.
Attn: Ms. Sarah Mitchell

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7593

Oxy USA Inc.
OGRID 16696
Cal-Mon MDP1 35 Federal Well No. 5H
API No. 30-015-Pending

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	110' FNL & 1026' FEL	A	35	23S	31E	Eddy
Penetration Point	340' FNL & 1260' FEL	A	35	23S	31E	Eddy
Final perforation	340' FSL & 1260' FEL	P	35	23S	31E	Eddy
Terminus	180' FSL & 1260' FEL	P	35	23S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 35	160	Cotton Draw; Bone Spring	13367

Reference is made to your application received on September 18, 2017.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Administrative Order NSL-7593
Oxy USA Inc.
October 9, 2017
Page 2 of 2

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that the Applicant is seeking this location because they intend to increase their horizontal well spacing from four wells per section to six wells per section to effectively develop the Bone Spring and Wolfcamp formation. Increasing horizontal well spacing will optimize recoverable reserves.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


DAVID R. CATANACH
Director

DRC/rl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office