

NM OIL CONSERVATION

ARTESIA DISTRICT

AUG 26 2019

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) 745-1283 Fax: (575) 748-9720
District III
1000 Rio Bravos Road, Arroyo, 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

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 30-015-46240	Pool Code 33740	Pool Name Ingle Well Bone Spring
Property Code 326058	Property Name VANADIUM "32" STATE	Well Number 177H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3361.2'

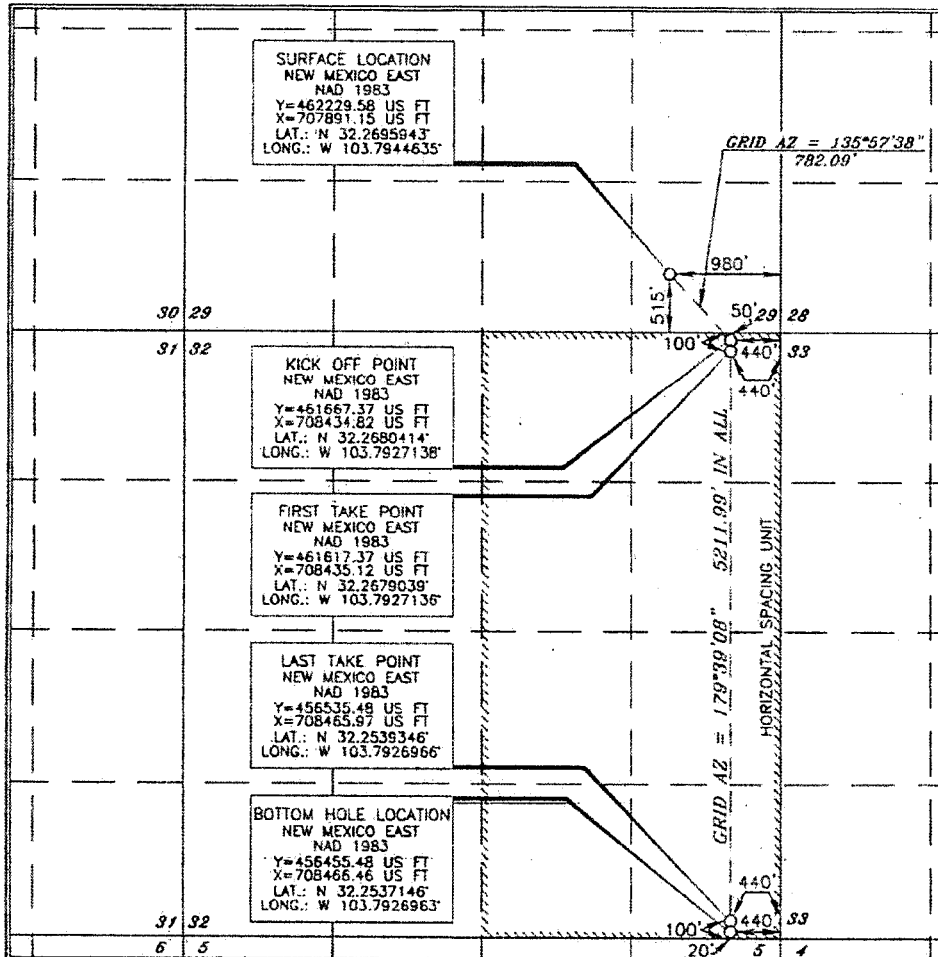
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	29	23 SOUTH	31 EAST, N.M.P.M.		515'	SOUTH	980'	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
P	32	23 SOUTH	31 EAST, N.M.P.M.		20'	SOUTH	440'	EAST	EDDY
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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 undivided 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.

Sarah Chapman 8/23/19
Signature Date

Sarah Chapman
Printed Name

sarah_chapman@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from the best of my knowledge and belief, and that the same is true and correct to the best of my belief.

TERRY J. ASH
Date of Survey

Terry J. Ash
Signature and Seal of Professional Land Surveyor

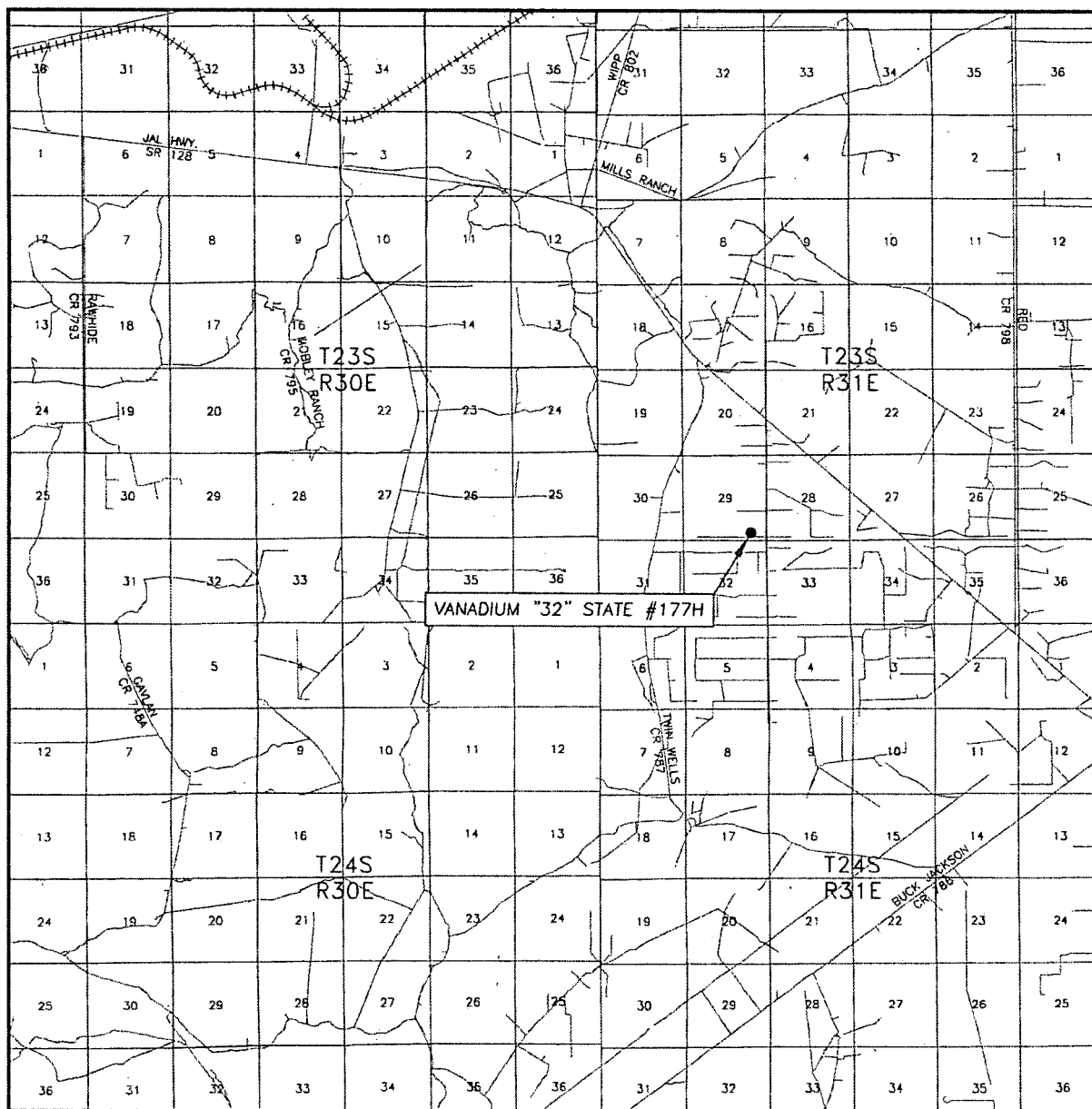
Terry J. Ash
Certificate Number

15079
Certificate Number

WO# 190807WL (KA)

RWP 8-26-19

VICINITY MAP

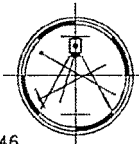


SEC. 29 TWP. 23-S RGE. 31-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 515' FSL & 980' FEL
 ELEVATION 3361.2'
 OPERATOR OXY USA INC.
 LEASE VANADIUM "32" STATE #177H

SCALE: 1" = 2 MILES

Asel Surveying

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



DIRECTIONS BEGINNING AT THE INTERSECTION OF N.M. STATE HWY. #128 AND EDDY COUNTY ROAD #787 (TWIN WELLS ROAD), GO SOUTHEAST ON N.M. STATE HWY. #128 FOR 1.1 MILES, TURN RIGHT ON CALICHE ROAD AND GO SOUTH FOR 1.4 MILES, TURN RIGHT AND GO WEST FOR 0.2 MILES, TURN RIGHT AND GO NORTH FOR 41.8 FEET TO LOCATION.

NM OIL CONSERVATION
ARTESIA DISTRICT

Intent ☒ As Drilled ☐

AUG 26 2019

API #

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Operator Name: <i>Oxy USA Inc.</i>	Property Name: <i>Vanadium 32 State</i>	Well Number <i>177H</i>
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Kick Off Point (KOP)

UL <i>A</i>	Section <i>32</i>	Township <i>23S</i>	Range <i>31E</i>	Lot	Feet <i>50</i>	From N/S <i>NORTH</i>	Feet <i>440</i>	From E/W <i>east</i>	County <i>EDDY</i>
Latitude <i>32.2680414</i>					Longitude <i>-103.7927138</i>			NAD <i>NAD83</i>	

First Take Point (FTP)

UL <i>A</i>	Section <i>32</i>	Township <i>23S</i>	Range <i>31E</i>	Lot	Feet <i>100</i>	From N/S <i>NORTH</i>	Feet <i>440</i>	From E/W <i>east</i>	County <i>EDDY</i>
Latitude <i>32.2679039</i>					Longitude <i>-103.7927136</i>			NAD <i>NAD83</i>	

Last Take Point (LTP)

UL <i>P</i>	Section <i>32</i>	Township <i>23S</i>	Range <i>31E</i>	Lot	Feet <i>100</i>	From N/S <i>South</i>	Feet <i>440</i>	From E/W <i>east</i>	County <i>EDDY</i>
Latitude <i>32.2539346</i>					Longitude <i>-103.7926966</i>			NAD <i>NAD83</i>	

Is this well the defining well for the Horizontal Spacing Unit? ☐

Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #	Operator Name:	Property Name:	Well Number

KZ 06/29/2018

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Submit Original
to Appropriate
District Office

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GAS CAPTURE PLAN

Date: 8-21-2019

☒ 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, recomple 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
Vanadium 32 State 177H	Pending	P-29-23S-31E	515 FSL 980 FEL	2300	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 Enterprise's Processing Plant located in Sec. 36, Twn. 24S, Rng. 30E, 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

LP 8-26-19