

Form 3160-3
(August 1999)

N.M. Oil Cons. Div-Dist 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
 OMB NO. 1004-0136
 Expires: November 30, 2000


APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-34246	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Occidental Permian Ltd.		7. Unit or CA Agreement Name and No.	
3a. Address P.O. Box 50250 Midland, TX 79710-0250		8. Lease Name and Well No. OPL Bogie Federal #1	
3b. Phone No. (include area code) 432-685-5717		9. API Well No. 30-015- 32251	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 660 FNL 990 FEL NENE(A) At proposed prod. zone		10. Field and Pool, or Exploratory Undsg Happy Valley Morrow	
14. Distance in miles and direction from nearest town or post office* 4 miles west of Carlsbad, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 19 T22S R26E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 660'		12. County or Parish Eddy	
16. No. of Acres in lease 320		13. State NM	
17. Spacing Unit dedicated to this well 320		20. BLM/BIA Bond No. on file R	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3402'	
22. Approximate date work will start* 8/15/03		23. Estimated duration 30 days	

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) David Stewart	Date 6/26/03
Title Sr. Regulatory Analyst		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date 30 JUL 2003
Title ACTING FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

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.

APPROVAL FOR 1 YEAR

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.

*(Instructions on Reverse)

APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS
 AND SPECIAL STIPULATIONS
 ATTACHED



CARLSBAD CONTROLLED WATER BASIN

DISTRICT I

1625 E. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Branson Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 78060	Pool Name Undesignated Happy Valley Morrow
Property Code	Property Name OPL BOGIE FEDERAL	Well Number 1
OGRID No. 157984	Operator Name Occidental Permian Limited Partnership	Elevation 3402'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	22 S	26 E		660	NORTH	990	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

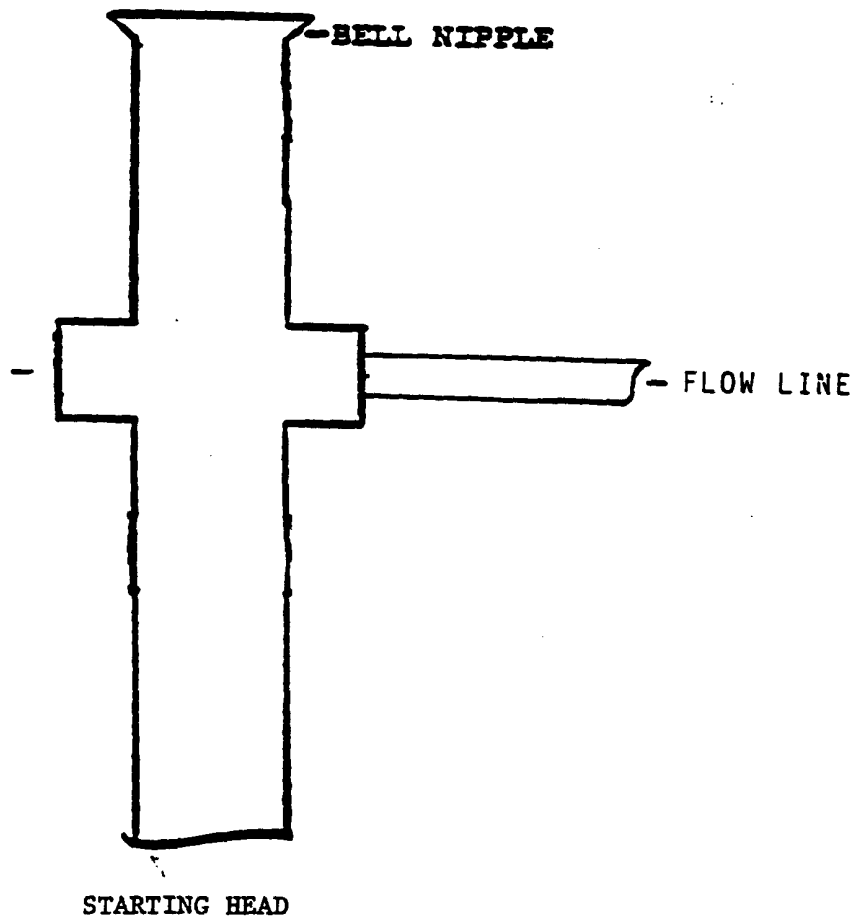
Dedicated Acres 320	Joint or Infill no	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature David Stewart Printed Name Sr. Regulatory Analyst Title 2/5/02 6/2/02 Date
	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. November 15, 2001 Date Surveyed Signature & Seal Professional Surveyor W.O. No. 2635 Certificate No. 7977 Jones PROFESSIONAL LAND SURVEYOR Basic SURVEYS

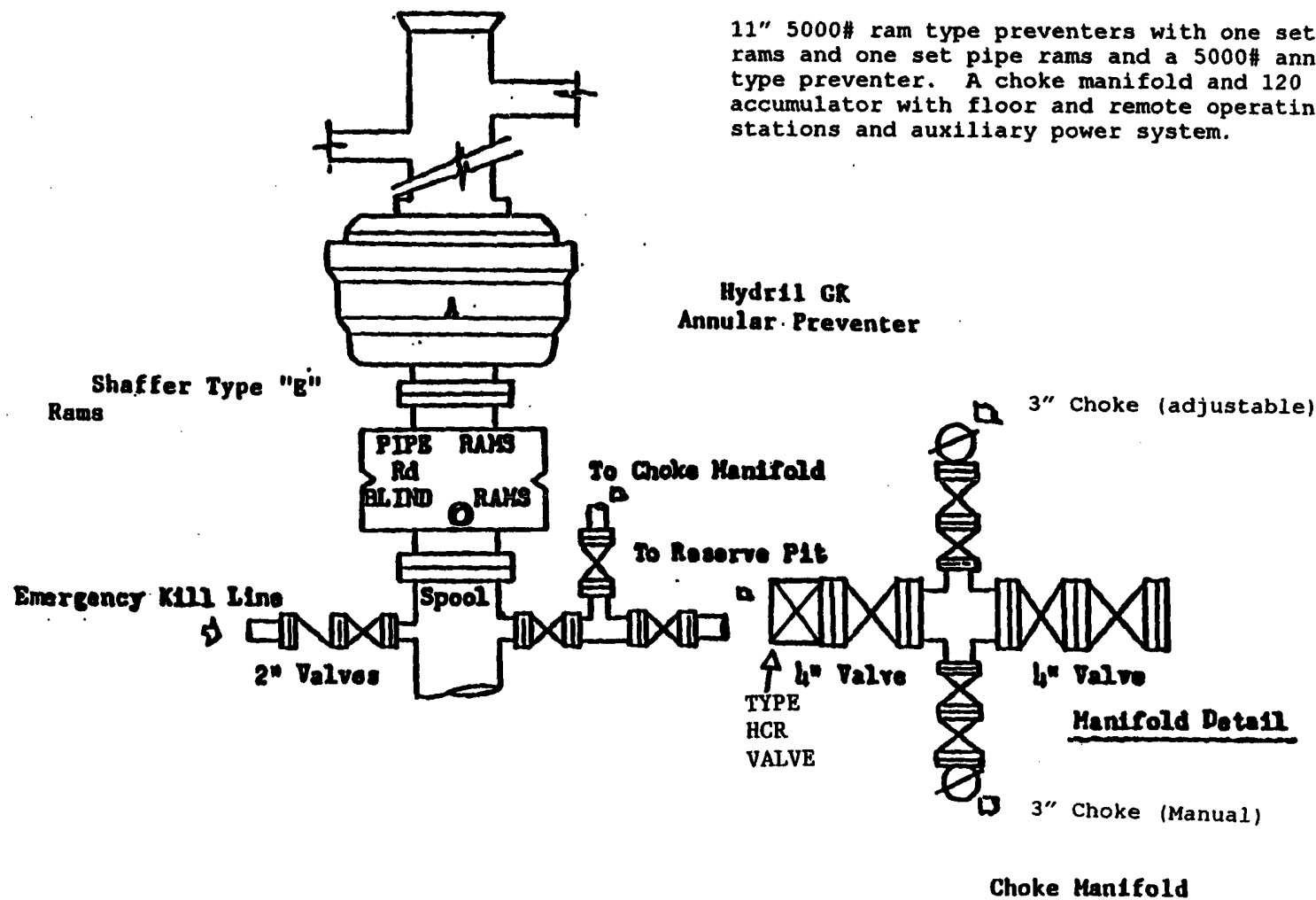
EXHIBIT A

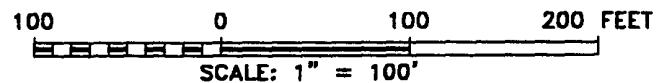
ANNULAR PREVENTOR
TO BE USED AS DIVERTOR ONLY



BLOWOUT PREVENTOR SCHEME

EXHIBIT A





Survey Date: 11-15-2001 Sheet 1 of 1 Sheets

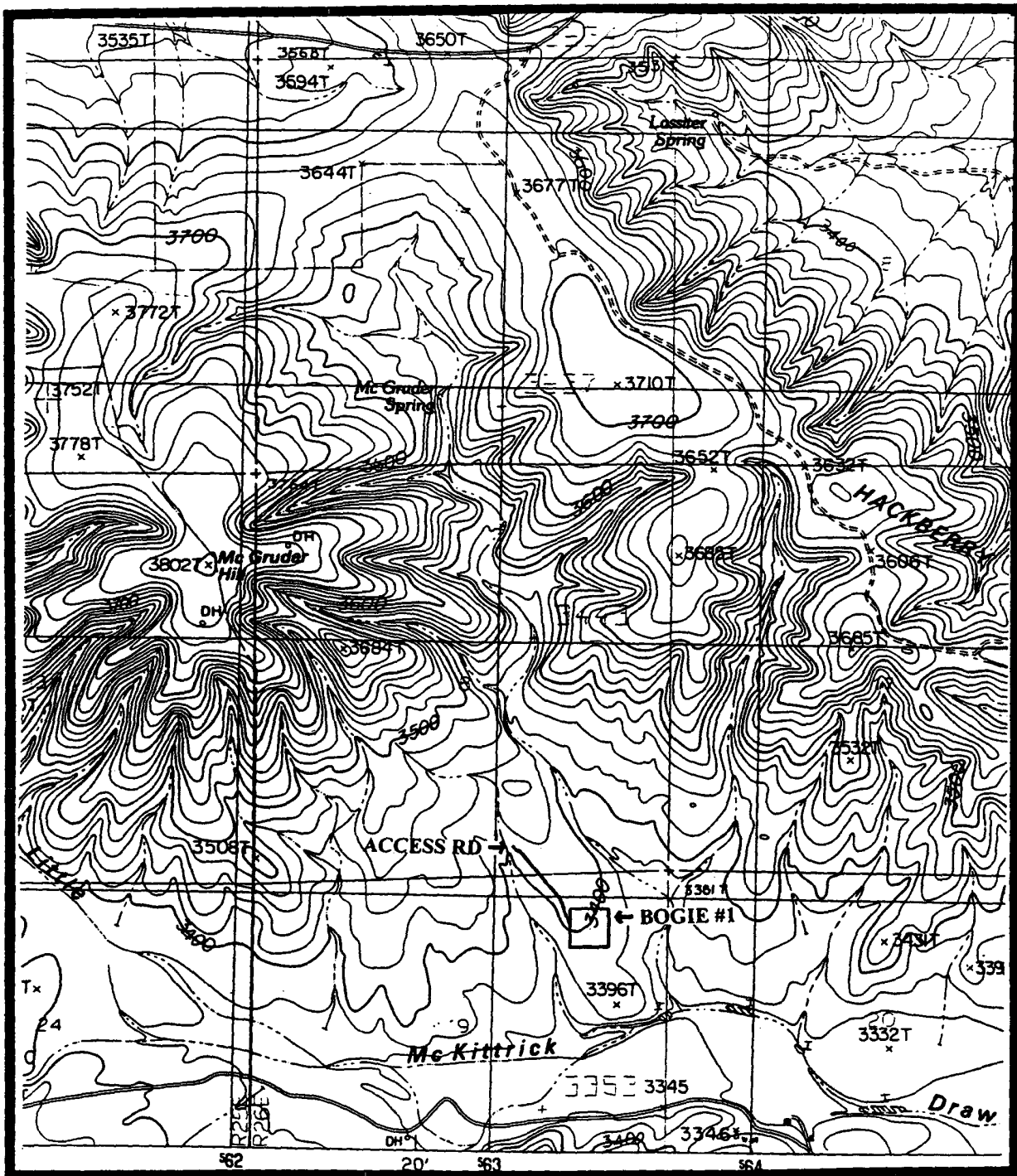


Figure 1. Location of OXY USA WTP, L. P.'s Proposed Bogie Fed. #1 Well Pad and Access Road in Sections 18 and 19, T22S, R26E, N.M.P.M., Eddy County, NM. Map Reference: U.S.G.S 7.5' Carlsbad West, NM (Provisional Edition 1985).

Occidental Permian Limited Partnership

P.O. Box 50250, Midland, TX 79710-0250

June 20, 2003

United States Department of the Interior
Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

Re: Application for Permit to Drill
Occidental Permian Limited Partnership
OPL Bogie Federal #1
Eddy County, New Mexico
Lease No. NM-34246

Gentlemen:

Occidental Permian Limited Partnership respectfully requests permission to drill our OPL Bogie Federal #1 located 660 FNL and 990 FEL of Section 19, T22S, R26E, Eddy County, New Mexico, Federal Lease No. NM-34246. The proposed well will be drilled to a TD of approximately 12000' (TVD). The location and work area has been staked. It is approximately 4 miles west of Carlsbad, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

I. Application for Permit to Drill:

1. Form 3160.3, Application for Permit to Drill.
2. Form C-102 Location and Acreage Dedication Plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated November 15, 2001.
3. The elevation of the unprepared ground is 3402 feet above sea level.
4. The geologic name of the surface formation is Permian Rustler.
5. Rotary drilling equipment will be utilized to drill the well to TD 12000' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
6. Proposed total depth is 12000' TVD.
7. Estimated tops of important geologic markers.

Wolfcamp	8300' TVD
Strawn	9900' TVD
Atoka	10050' TVD
Morrow	10850' TVD

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Primary Objective: Morrow 10850' TVD

Secondary Objective: Atoka 10050' TVD

- Surface: 13-3/8" 48# H40 ST&C new casing set at 650'
- Intermediate: 9-5/8" 36# K55 ST&C new casing from 0-2200'
- Production: 5-1/2" 17# L80-S95 LT&C new casing from 0-12000'
N80-0-8800' S95-8800-12000'

A. 13-3/8" surface casing set at 650' in 17-1/2" hole.
Circulate cement with 320sx 35:65 POZ/C w/ 6% Bentonite + 2% CaCl_2 + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% CaCl_2 .

B. 9-5/8" intermediate casing set at 2200' in 12-1/4" hole.
Circulate cement with 650sx 35:65 POZ/C w/ 6% Bentonite + 2%
CaCl₂ + .25#/sx Cello-Seal followed by 200sx Class C w/ 2%
CaCl₂.

If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% CaCl_2 .

C. 5-1/2" production casing set at 12000'. Cement with 870sx
15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx
Gilsonite followed by 75sx Class C w/ .7% FL-25.

Note: Cement volumes may need to be adjusted to hole caliper.

2200'-12000' 11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 6000'. Exhibit A.

A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

After setting the 9-5/8" casing, the blowout preventers and related control equipment shall be pressure tested to 5000 psi. Any equipment failing to test satisfactorily shall be repaired or replaced. Results of the BOP test will be recorded in the Driller's Log. The BOP's will be maintained ready for use until drilling operations are completed.

BOP drills will be conducted as necessary to assure that equipment is operational and each crew is properly trained to carry out emergency duties.

Accumulator shall maintain a pressure capacity reserve at all times to provide for the close-open-close sequence of the blind and pipe rams of the hydraulic preventers.

12. Mud Program:

0-650'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt. 8.7-9.2 ppg, vis 32-34 sec.
650'-2200'	Fresh/*brine water. Lime for pH control (10-10.5). Paper for seepage. Wt. 8.3-9.0/10.0-10.1ppg, vis 28-29 sec. *Fresh water will be used unless chlorides in the mud system increase to 20000PPM.
2200'-8000'	Fresh water. Lime for pH control (9-9.5). Paper for seepage. Wt. 8.3-8.5 ppg, vis 28-29 sec.
8000'-9700'	Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.
9700'-12000'	Mud up with an Duo Vis/Flo Trol system. Wt. 9.6-10.0 ppg, Vis 32-36sec, WL<10cc.

Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until the production casing is run and cemented. Monitoring equipment shall consist of the following:

- 1) A recording pit level indicator.
- 2) A pit volume totalizer.
- 3) A flowline sensor.

13. Testing, Logging and Coring Program:
 - A. Testing program: No DST's are anticipated.
 - B. Mud logging program: One-man unit from 6000' to TD.
 - C. Electric logging program: CNL/LDT/CAL/GR, DLL/CAL/GR.
 - D. Coring program: Possible sidewall rotary cores.
14. No abnormal temperatures, or H2S gas are anticipated. The highest anticipated pressure gradient would be .55psi/ft. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.
15. Anticipated starting date is August 1, 2003. It should take approximately 28 days to drill the well and another 10 days to complete.
16. The Multi-Point Surface Use & Operation Plan is attached.
17. If the Bureau of Land Management needs additional information to evaluate this application, please advise.

Very truly yours,



David Stewart
Sr. Regulatory Analyst
Occidental Permian LP

DRS/drs

Attachments