

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ART-1A

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000NM-160-3
2002-2-14

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work ☒ DRILL ☐ REENTER		5. Lease Serial No. NM-53218
1b. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator OXY USA WTP Limited Partnership		7. Unit or CA Agreement Name and No.
3a. Address P.O. Box 50250 Midland, TX 79710-0250	3b. Phone No. (include area code) 192463 432-685-5717	8. Lease Name and Well No. 301312 Righthand Canyon 35 Federal #8
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 2205 FSL 2250 FEL NWSE(J) CARLSBAD CONTROLLED WATER BASIN At proposed prod. zone 2590 FNL 2590 FEL SWNE(G)		9. API Well No. 30-015- 35527
14. Distance in miles and direction from nearest town or post office* 12 miles west from Carlsbad, NM		10. Field and Pool, or Exploratory Indian Basin Up. Penn (Assoc)
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 2205'	16. No. of Acres in lease 640	11. Sec., T., R., M., or Blk. and Survey or Area Sec 35 T21S R24E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1882'	19. Proposed Depth 8600' (VD) 8950' (MD)	12. County or Parish Eddy
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3924'	22. Approximate date work will start* 3/1/07	13. State NM
20. BLM/BIA Bond No. on file 6194690		17. Spacing Unit dedicated to this well Bond # E50136 32 320/80
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 1/22/07
Title Sr. Regulatory Analyst		
Approved by (Signautre) /s/ James A. Amos	Name (Printed/Typed)	Date MAR 29 2007
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)

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Attachment 3160-3
Righthand Canyon 35 Federal #8
SL-2205 FSL 2250 FEL NWSE(J) - BHL-2590 FNL 2590 FEL SWNE(G)
SEC 35 T218 R24E Eddy County, NM
Federal Lease No. NM53218

PROPOSED TD: 8600' TVD 8950' TMD

BOP PROGRAM: 0-1600' None
1600-8600' 11" 5M blind pipe rams with 5M annular
preventer.

CASING: Surface: 9-5/8" OD 36# K55 ST&C new casing from 0-1600'
12-1/4" hole

Production: 7" OD 26# N80 LT&C new casing from 0-8600'
8-3/4" hole

CEMENT: Surface - DV Tool @ +/- 600', cement 1st stage with 515sx HES light
premium plus w/ 2% CaCl₂ + .25#/sx Flocele followed by 250sx PP w/
2% CaCl₂. Cement 2nd stage with 340sx HES light premium plus w/ 2%
CaCl₂ + .25#/sx Flocele followed by 100sx PP w/ 2% CaCl₂.

Production - DV Tool @ +/- 6000', cement 1st stage with 100sx (Foamed
with Nitrogen) Premium Acid Soluble Cement w/ 2% Zonesalant 2000
followed by 350sx (Foamed with Nitrogen) Premium Cement w/ 2%
Zonesalant 2000 followed by 150sx Super H Cement w/ .5% Halad(R) +
.4% CFR-3 + 5#/sx Gilsonite + 1#/sx Salt + .25% HR-7. Cement 2nd
stage with 410sx IFC cement w/ 5#/sx Gilsonite + .25#/sx Flocele
followed by 100sx PP w/ 2% CaCl₂.

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

MUD: 0-1600' Fresh water/native mud. Lime for pH control
(9-10). Paper for seepage.
Wt 8.7-9.2 ppg, Vis 32-34 sec
1600-8600' Mud up with an Duo Vis/Flo Trol mud system.
Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

DISTRICT I

625 N. FRANCH DR., ROSA, NM 86240

DISTRICT II

1301 W. GRAND AVENUE, ARTERIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., 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, New Mexico 87505

Form C-102

Revised October 12, 2006

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 33685	Pool Name Indian Basin Upper Penn (Assoc)
Property Code 301312	Property Name RIGHT HAND CANYON 35 FEDERAL	Well Number 8
OGRID No. 192463	Operator Name OXY USA WTP LP	Elevation 3924'

Surface Location

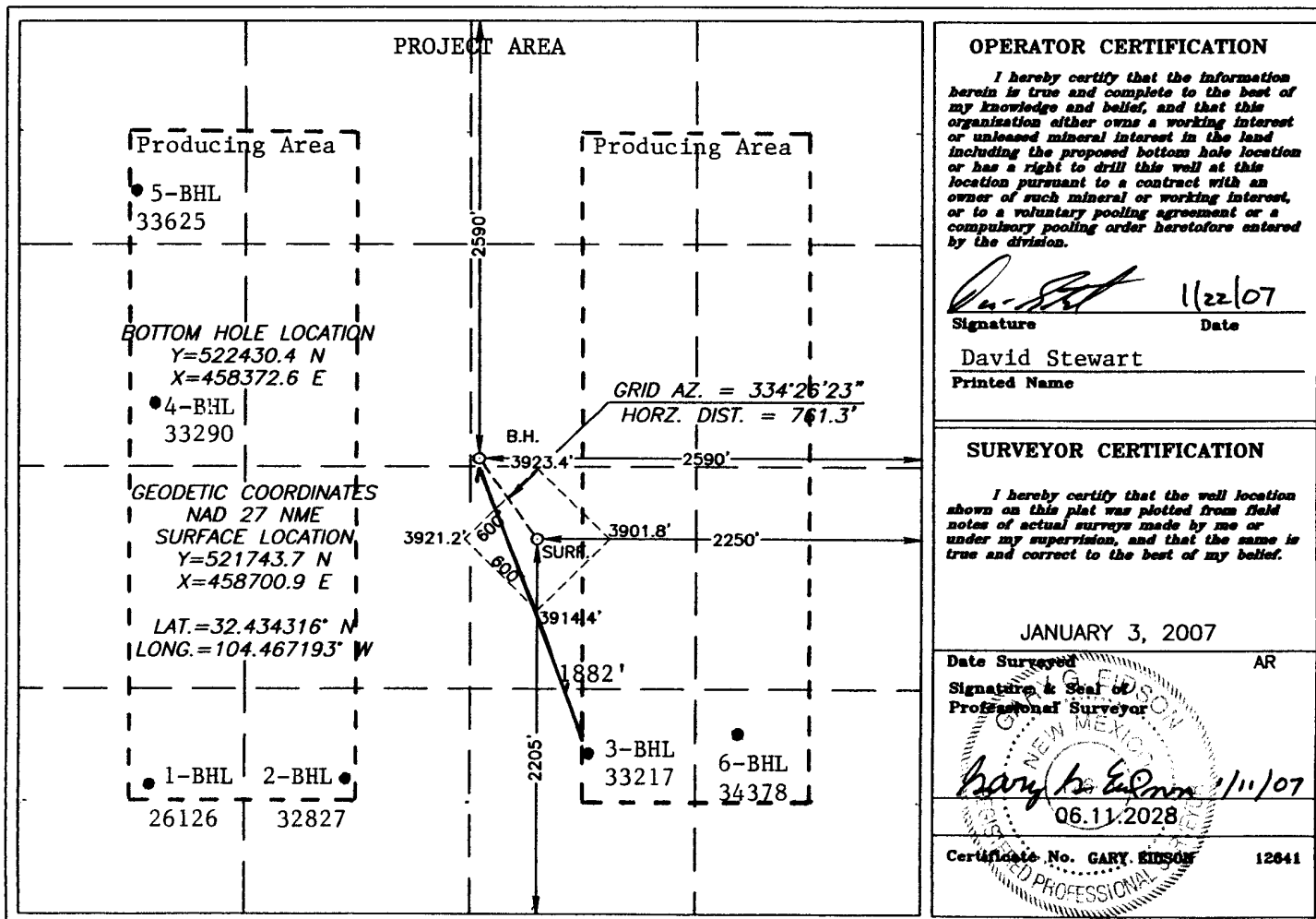
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	21-S	24-E		2205	SOUTH	2250	EAST	EDDY

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
G	35	21-S	24-E		2590	NORTH	2590	EAST	EDDY

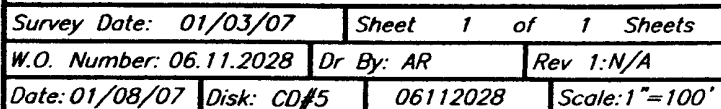
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640	Y		

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



E. 3901.8'

NEW MEXICO



OXY USA WTP Limited Partnership
P.O. Box 50250, Midland, TX 79710-0250

January 22, 2007

United States Department of the Interior
Bureau of Land Management
Carlsbad District Office
620 East Greene Street
Carlsbad, New Mexico 88220

Re: Application for Permit to Drill
OXY USA WTP Limited Partnership
Righthand Canyon 35 Federal #8
Eddy County, New Mexico
Lease No. NM-53218

RECEIVED
JAN 23 11 2:19
BLM

Gentlemen:

OXY USA WTP Limited Partnership respectfully requests permission to drill our Righthand Canyon 35 Federal #8 located at a surface location of 2205 FSL and 2250 FEL and a proposed bottom-hole location of 2590 FNL 2590 FEL of Section 35, T21S, R24E, Eddy County, New Mexico, Federal Lease No. NM-53218. The proposed well will be drilled to a TD of approximately 8600' (TVD) and 8950' (TMD). The location and work area has been staked. It is approximately 12 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 G. Eidson, Registered Land Surveyor No. 12641 in the State of New Mexico, dated January 11, 2007.
3. The elevation of the unprepared ground is 3924 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 8600' (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 8600' (TVD) and 8950' (TMD).
7. Estimated tops of important geologic markers.

Glorieta	2970' TVD
Bone Spring	3750' TVD
Wolfcamp	7450' TVD
Cisco-Canyon	8000' TVD

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

Primary Objective: Cisco-Canyon 8000' TVD

Secondary Objective: Wolfcamp 7450' TVD

9. The proposed casing program is as follows:

Surface: 9-5/8" 36# K55 ST&C new casing set at 1600'

Production: 7" 26# N80 LT&C new casing from 0-8600'

10. Casing setting depth and cementing program:

A. 9-5/8" surface casing set at 1600' in 12-1/4" hole. DV Tool @ +/- 600', cement 1st stage with 515sx HES light premium plus w/ 2% CaCl₂ + .25#/sx Flocele followed by 250sx PP w/ 2% CaCl₂. Cement 2nd stage with 340sx HES light premium plus w/ 2% CaCl₂ + .25#/sx Flocele followed by 100sx PP 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% CaCl₂.

B. 7" production casing set at 8600' in 8-3/4" hole. DV Tool @ +/- 6000', cement 1st stage with 100sx(Foamed with Nitrogen) Premium Acid Soluble Cement w/ 2% Zonesealant 2000 followed by 350sx (Foamed with Nitrogen) Premium Cement w/ 2% Zonesealant 2000 followed by 150sx Super H Cement w/ .5% Halad(R) + .4% CFR-3 + 5#/sx Gilsonite + 1#/sx Salt + .25% HR-7. Cement 2nd stage with 410sx IFC cement w/ 5#/sx Gilsonite + .25#/sx Flocele followed by 100sx PP w/ 2% CaCl₂.

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

11. Pressure Control Equipment

0-1600' None

1600-8600' 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. 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:

- | | |
|------------|--|
| 0-1600' | Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt. 8.7-9.2 ppg, vis 32-34 sec. |
| 1600-8600' | 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.
- 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. H2S Contingency Plan is attached per NMOCD requirements. 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 March 1, 2007. It should take approximately 30 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
OXY USA WTP Limited Partnership

DRS/drs
Attachments

BLOWOUT PREVENTOR SCHEME

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.

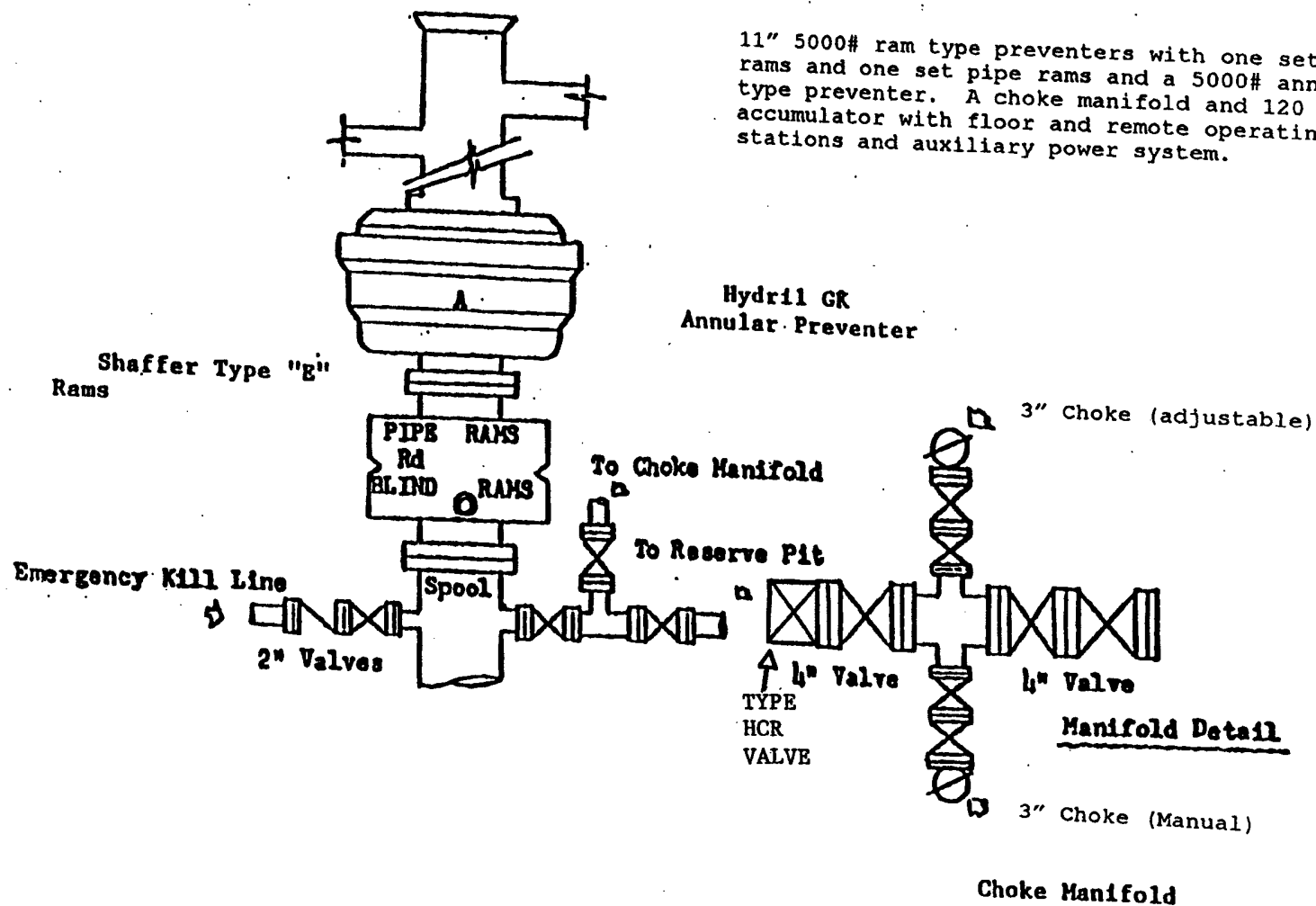


EXHIBIT A

**OXY USA WTP
Limited Partnership
PO Box 50250
Midland, TX 79710**

**Hydrogen Sulfide (H₂S)
Contingency Plan**

For

**Righthand Canyon 35 Federal #8
2205 ft FSL, 2250 ft FEL
Sec 35, T21S, R24E
Eddy County, NM**

And

Patterson Rig #508

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PREFACE

An effective and viable Contingency Plan is intended to provide prior planning and guidance in responding to emergency incidents. The primary considerations in its development are protection of personnel, the public, company and public property, and the environment.

Although the plan addresses varied emergency situations which may occur, it recognizes that flexibility and the use of the organization's knowledge and experience is critical to safe resolution of emergency incidents. Response actions outlined in the plan provide a framework, which may be placed into operation without confusion. These actions should promote quick and decisive actions during the critical initial period and immediately following an emergency. As the response progresses, additional guidelines and procedures may need to be implemented as the situation dictates. In addition, all emergency incidents must be properly reported per the Oxy Incident Reporting and Notification Policy, state and federal requirements, etc.

This Contingency Plan is intended for use on Oxy Downhole Services Group projects and the operations within their area of responsibility, such as drilling, critical well work, etc.

A copy of the Plan shall be maintained in the Top Dog House, Rig Managers trailer, and Company Representative's trailer if applicable.

Righthand Canyon 35 Fed #8

Y = 521743.7 N

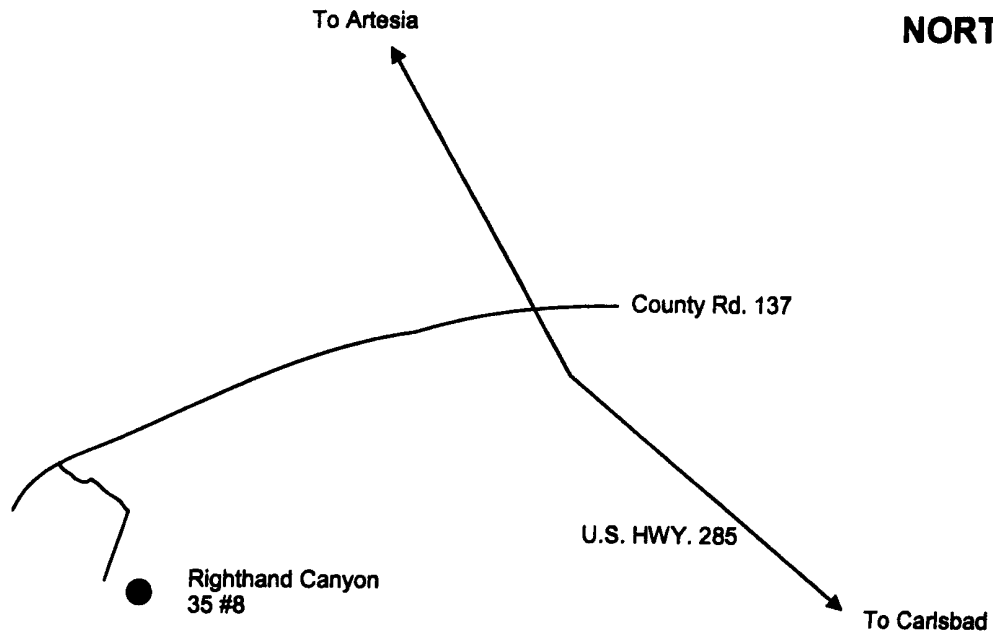
X = 458700.9 E

Lat. 32.434316° N

Long. 104.467193° W

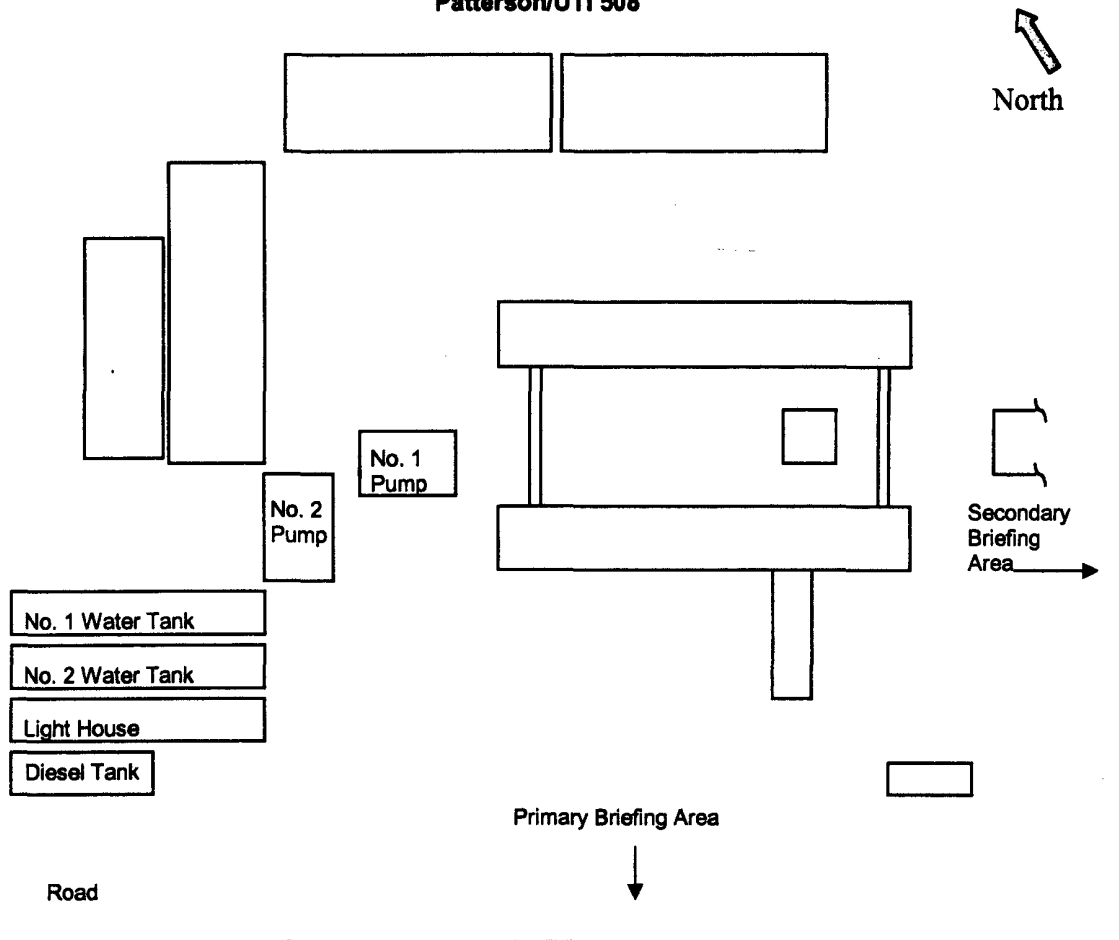


NORTH



DIRECTIONS TO LOCATION: From the intersection of USH 285 and CR 137, go southwest on CR 137 approximately 6.3 miles. Turn left (SE) and go approx. 1.0 mile. Turn right (SW) and go 0.6 miles. Turn right (SW) and go approx. 1.4 miles to road intersection. This location is approx. 220' east.

Patterson/UTI 508



EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

- A. In the event of any emergency situation, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections on pages ten (10) through twelve (12) in this document for further responsibilities:
 - 1. Notify the senior ranking contract representative on site.
 - 2. Notify Oxy representative in charge.
 - 3. Notify civil authorities if the Oxy Representative can not be contacted and the situation dictates.
 - 4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

Oxy Permian Personnel:

- A. Operations Specialist: The Oxy Drilling/Critical Well Servicing Operations Specialist or contract personnel serving in that capacity will serve as Operations Chief Officer for all emergency incidents. The Operations Chief Officer is responsible for:
 - 1. Notification to the Downhole Services Team Leader of the incident occurrence.
 - 2. Notification to the local RMT/PMT leader of the incident occurrence, and the need for the designated local RMT/PMT Incident Commander to act in that capacity for the response effort.
 - 3. Sole control of all tactical activities directed toward reducing the immediate hazard, establishing situational control and restoring the operations to a non-emergency state.
- B. Local RMT/PMT Designated Incident Commander: The Oxy local RMT/PMT Designated Incident Commander will serve as the overall Incident Commander for the drilling or critical well servicing emergency incident. The Incident Commander is responsible for:
 - 1. Coordinating with the Downhole Services Team Leader for notification to the Oxy Crisis Management team of the incident occurrence.
 - 2. Establishing and managing the overall incident command structure and response from inception through restoration of normal activities in the area.
- C. Downhole Services HES Tech: The Downhole Services HES Tech (or his designate) is responsible for reporting to the incident as soon as reasonably possible, to provide support to the response effort as required by the Operations Chief Officer or the Incident Commander.

Contract Drilling Personnel will immediately report to their assigned stations and perform their duties as outlined in the appropriate Specific Emergency Guidance sections on pages ten (10) through twelve (12) in this document.

Other Contractor Personnel will report to the safe briefing area to assist Oxy personnel and civil authorities as requested when it is safe to do so and if they have been adequately trained in their assigned duties.

Civil Authorities (Law Enforcement, Fire, and EMS) will be responsible for:

1. Establishing membership in the Unified Incident Command.
2. As directed by the Incident Commander and the Unified Command, control site access, re-route traffic, and provide escort services for response personnel.
3. Perform all fire control activities in coordination with the Unified Command.
4. Initiate public evacuation plans as instructed by the Incident Commander.
5. Perform rescue or recovery activities with coordination from the Unified Command.
6. Provide medical assistance as dictated by the situation at hand.

H2S RELEASE

The following procedures and responsibilities will be implemented on activation of the H2S siren and lights.

All Personnel:

1. On alarm, don escape unit (if available) and report to upwind briefing area.

Rig Manager/Tool Pusher:

1. Check that all personnel are accounted for and their condition.
2. Administer or arrange for first aid treatment, and /or call EMTs as needed.
3. Identify two people best suited to secure well and perform rescue, and instruct them to don SCBA.
4. Notify Contractor management and Oxy Representative.
5. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.

Two People Responsible For Shut-in and Rescue:

1. Don SCBA and acquire tools to secure well and perform rescue, i.e., wrenches, retrieval ropes, etc.
2. Utilize the buddy system to secure well and perform rescue(s).
3. Return to the briefing area and stand by for further instructions.

All Other Personnel:

1. Isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

Oxy Representative:

1. Remain at the briefing area, assess and monitor personnel and overall situation for hazards or conditions that might warrant a change in the action plan.
2. Notify Operation Specialists or Team Leader and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

Training

There will be an initial training session prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan (Contingency Plan). This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police shall be the Incident Command of any major release. Ignition of the well will be with the concurrence of the drilling team leader and the Oxy Crisis Management Team as time allows.

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Oxy Permian personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as; type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. This response plan must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER).

WELL CONTROL

The following procedures will be implemented when a loss of primary control is indicated. Indicators of loss of primary control are flow from the well, an increase in pit volume, or when the drilling fluid used to fill the hole on trips is less than the calculated pipe displacement volume. The emergency signal for well control procedures will be a single long blast of the rig air horn.

Kick While Drilling - Procedures And Responsibilities

Driller:

1. Stop the rotary and hoist the kelly above the rotary table.
2. Stop the mud pump(s).
3. Check for flow.
4. If flowing, sound the alarm immediately.
5. Ensure that all crew members fill their responsibilities to secure the well.
6. Record drill pipe and casing shut-in pressures and pit volume increase and begin kill sheet.

Derrickman:

1. Go to BOP/choke manifold area.
2. Open choke line valve on BOP.
3. Signal to Floorman #1 that the choke line is open.
4. Close chokes after annular or pipe rams are closed.
5. Record shut-in casing pressure and pit volume increase.
6. Report readings and observations to Driller.
7. Verify actual mud weight in suction pit and report to Driller.
8. Be readily available as required for additional tasks.

Floorman # 1:

1. Go to accumulator control station and await signal from Derrickman.
2. Close annular preventer and HCR on signal (if available, if not then close pipe rams).
3. Record accumulator pressures and check for leaks in the BOP or accumulator system.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 2:

1. Start water on motor exhausts.
2. Notify Contractor Tool Pusher or Rig Manager of well control situation.
3. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
4. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3:

1. Stand-by with Driller, and be readily available as required for additional tasks.

Tool Pusher/Rig Manager:

1. Notify Oxy Representative and report to rig floor.
2. Review and verify all pertinent information.
3. Communicate information to Oxy Representative, and confer on an action plan.
4. Finalize well control worksheets, calculations and preparatory work for action plan.
5. Initiate and ensure the action plan is carried out.
6. Communicate any changes in well or site conditions, or any indications that the action plan needs to be revised to the Oxy representative.

Oxy Representative:

1. Notify Operation Specialists or Team Leader and RMT Leader or Local Incident Commander, and Police, Fire Department, or other local emergency services as required.

Kick While Tripping - Procedures and Responsibilities

Driller:

1. Sound the alarm immediately when pipe displacement volume is less than 75% of calculated.
2. Position the upper tool joint just above rotary table and set slips.
3. Check for flow.
4. Ensure that all crew members fill their responsibilities to secure the well.
5. Record drill pipe and casing shut-in pressures and pit volume increase, and begin kill sheets.

Derrickman: (same as while drilling)

Floor Man # 1:

1. Install full opening valve (with help from Floorman #2) in top drill string connection.
2. Tighten valve with make up tongs.
3. Go to accumulator control station and await signal from Derrickman.
4. Close annular preventer and HCR valve on signal (if available, if not then close pipe rams).
5. Record accumulator pressures and check for leaks in the BOP and accumulator system.
6. Report to Driller, and be readily available as required for additional tasks.

Floor Man # 2:

1. Assist installing full opening valve in drill string.
2. Position back-up tongs for valve make-up.
3. Start water on motor exhausts.
4. Notify Contractor Tool Pusher or Rig Manager of well control situation.
5. Check location for ignition sources and extinguish or turn off, and stop any welding in progress.
6. Report to Driller, and be readily available as required for additional tasks.

Floorman # 3, Rig Manager/Tool Pusher, and Oxy Representative: (same as while drilling)

PUBLIC RELATIONS

Oxy recognizes that the news media have a legitimate interest in incidents at Oxy facilities that could affect the public. It is to the company's benefit to cooperate with the news media when incidents occur because these media are our best liaison with the public.

Our objective is to see that all reports of any emergency are factual and represent the company's position fairly and accurately. Cooperation with news media representatives is the most reliable guarantee that this objective will be met.

All contract and Oxy employees are instructed **NOT** to make any statement to the media concerning the emergency incident. If a media representative contacts any employee, they should refer them to the designated Emergency Command Center where they should contact the Incident Commander or his designated relief for any information concerning the incident.

OXY PERMIAN DOWNHOLE SERVICES GROUP

	LOCATION	OFFICE	HOME	CELL	PAGER
Manager Operations Support					
Hardesty, Steve	Midland	432-685-5880	432/694-6441	713-560-8095	
Team Leader					
Thompson, Tommy	Midland	432-685-5877	432/985-4383	432-664-4214	
Operations Specialists					
Fleming, Joe	Midland	432-685-5858	432/699-0875	432-425-6075	
HES Tech					
Maciula, Pete	Midland	432-685-5667			

Emergency Notification Numbers

Public Authorities		
New Mexico State Police	Artesia	505/746-2704
New Mexico State Police	Carlsbad	505/885-3137
New Mexico State Police	Hobbs	505/392-5588
Eddy County Sheriff's Office	Artesia	505/746-2704
Eddy County Sheriff's Office	Carlsbad	505/887-7551
Lea County Sheriff's Office	Hobbs	505/393-2515
Local Emergency Planning Center	Eddy County	505/887-9511
Local Emergency Planning Center	Lea County	505/397-9231
New Mexico Oil & Gas Commission	Artesia	505/748-1283
New Mexico Oil & Gas Commission	Hobbs	505/393-6161
NM Emergency Response Center	Hobbs	505/827-9222

Emergency Services		
Fire Fighting, Rescue, Ambulance, Police	Artesia	911
Fire Fighting, Rescue, Ambulance, Police	Carlsbad	911
Fire Fighting, Rescue, Ambulance, Police	Hobbs	911
Flight For Life	Lubbock	806/743-9911
Aerocare	Lubbock	806/7478923
Med Flight Air Ambulance	Albuquerque	505/842-4433

Other Emergency Services		
Boots and Coots		1/800-256-9688
Cudd Pressure Control	Midland	432/699-0139
B.J. Services	Artesia	505/746-3569
Halliburton	Artesia	505/746-2757

**OXY Permian Production and Plant Personnel
OXY Permian Crisis Team Hotline Notification (713) 935-7210**

PERSON	LOCATION	OFFICE	FAX	CELL	PAGER
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Asset Management-Operations Area

OXY Permian General Manager: Tom Menges	Houston	(281) 552-1147	(281) 552-1484	(713) 560-8038	
South Permian Asset: Matt Hyde	Midland	(432) 685-5802	(432) 685-5930	(432) 556-5016	

RMT/PMT Leaders: South Permian Asset

Frontier RMT: John Nicholas	Midland	(432) 685-5800			
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PERSON	LOCATION	OFFICE	FAX	CELL	PAGER
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Production Coordinators: S. Permian Asset

New Mexico: John Erickson	Hobbs	(505) 393-2174	(505) 397-2671	(505) 390-6426	(505) 370-6836
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**OXY Permian HES Personnel
OXY Permian Crisis Team Hotline Notification (713) 935-7210**

PERSON	LOCATION	OFFICE	FAX	CELL	PAGER
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HES Coordinators & Area of Responsibility

Frontier: Ricky Tyler	Midland	(432) 685-5707	(432) 685-5742	(432) 556-5790	
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HES Techs & Area of Responsibility

Hobbs RMT: Steve Bishop	Hobbs	(505) 397-8251	(505) 397-8204	(505) 390-4784	(877) 339-1954- 1118#
Frontier-New Mexico: Rick Kerby	Hobbs	(505) 393-2174	(505) 393-2671	(505) 390-8639	(505) 370-6527

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA WTP Limited Partnership
Righthand Canyon 35 Federal #8
Eddy County, New Mexico
Lease No. NM-53218

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal may be made of the environmental effects associated with the operation.

The well and work area have been staked by a registered New Mexico land surveyor. Boone Archaeological Services, LLC has been engaged to make an archaeological reconnaissance of the work area. Their findings concerning cultural resources will be reported to the Bureau of Land Management.

1. Existing Roads

A copy of a USGS "Azotea Peak, New Mexico" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which also shows the existing road system. Exhibit B.

Directions to location:

From the intersection of USH 285 and USH 137 (Queens Hwy), go southwest on USH 137 approximately 6.3 miles. Turn left and go southeast approx. 1.0 mile. Turn right and go southwest approx. 1.4 miles to road intersection. This location is approx. 220' east.

2. Planned Access Road

- A. No new access road will be built. Exhibit B.
- B. Surfacing material: N/A
- C. Maximum Grade: N/A
- D. Turnouts: None needed
- E. Drainage Design: N/A
- F. Culverts: None needed
- G. Cuts and Fills: N/A
- H. Gates or Cattleguards: None required

3. Existing wells within a one mile radius of the proposed development well are shown on Exhibit C.

4. Location of Existing and/or Proposed Facilities

- A. If the well is productive, existing production facilities will be utilized.

- B. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the Righthand Canyon 35 Federal #8 tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.
- 5. Location and Type of Water Supply

Fresh water and brine water will be used to drill this well. It will be purchased and transported to the well site.
- 6. Source of Construction Materials

Caliche for surfacing the well pad will be obtained on well site.
- 7. Method of Handling Waste Disposal
 - A. Drill Cuttings will be disposed of in an existing lined reserve pits.
 - B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
 - C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be put in storage tanks and sold.
 - D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
 - E. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.
 - F. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.
- 8. Ancillary Facilities
 - A. None needed.
- 9. Wellsite Layout
 - A. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are shown on the well site layout sketch. The V-door will be to the southeast and the pits to the northeast. Exhibit D.
 - B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.
 - C. The reserve pit will be plastic lined, per NMOCD requirements, the C-144 is attached.
 - D. While constructing the pits and material is encountered at a depth which would not allow the pits to meet the BLM stipulations with out blasting, OXY requests a variance. There will be an adequate amount of material to reclaim the pit per the stipulations.
 - E. The pad and pit area have been staked and flagged.

10. Plans for Restoration of the Surface

- A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed.
- B. Pits will be filled and location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible. Any plastic material used to line the pits or sumps will be cut off below ground level as far as possible and disposed of before the pits are covered. All unattended pits containing liquid will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.
- C. After abandonment of the well, surface restoration will be in accordance with the land owner. This will be accomplished as expeditiously as possible. Barring unforeseen problems, all pits will be filled and leveled within 90 days after abandonment.

11. Surface Ownership

The wellsite is on federal owned surface. The surface is leased to: The Travelstead Ranch, 573 Queen Hwy, Carlsbad, NM 88220. They will be notified of our intention to drill prior to any activity.

12. Other Information

- A. Topography: The location is a flat plain. GL elevation is 3924'.
- B. Soil: Shallow, calcareous and grayish-brown, loose to slightly compact, stony silty loam overlying limestone bedrock. Slopes consist primarily of limestone rock and small pockets of colluvium and alluvium.
- C. Flora and Fauna: The vegetative cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is also sparse consisting of coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: No residence within 2 miles.
- F. Archaeological, Historical and Cultural Sites: Cultural resources have been recorded in the area. Boone Archaeological Services, LLC will be engaged to make an archaeological reconnaissance of the work area.
- G. Land Use: Cattle ranching.
- H. The well site, if a producer, will be maintained and kept clean of all trash and litter which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.
- I. After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with grass if, in the opinion of the land owner, it is required.

Multi-Point Surface Use and Operations Plan
Righthand Canyon 35 Federal #8
Page 4

13. Operator's Representatives and Certification

The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

John Erickson
Production Coordinator
P.O. Box 69
Hobbs, New Mexico 88240
Office Phone: 505-393-2174
Cellular: 505-390-6426

Joe Fleming
Drilling Coordinator
P.O. Box 50250
Midland, TX 79710-0250
Office Phone: 432-685-5858

Calvin C. (Dusty) Weaver
Operation Specialist
P.O. Box 2000
Levelland, TX 79336
Office Phone: 806-229-9467
Cellular: 806-893-3067

Terry Asel
Operation Specialist
1017 W. Stanolind Rd.
Hobbs, NM 88240
Office Phone: 505-397-8217
Cellular: 505-631-0393

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by OXY USA WTP Limited Partnership and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

11/22/2007
DATE



Scott Gengler
Engineering Advisor
432-685-5825
South Permian Asset Team
OXY USA WTP Limited Partnership

INTREPID
Directional Drilling Specialists

Survey / DLS Computation Method:	Minimum Curvature / Lubinski
Vertical Section Azimuth:	334.450°
Vertical Section Origin:	N 0.000 ft, E 0.000 ft
TVD Reference Datum:	RKB
TVD Reference Elevation:	0.0 ft relative to
Sea Bed / Ground Level Elevation:	0.000 ft relative to
Magnetic Declination:	8.518°
Total Field Strength:	49122.828 nT
Magnetic Dip:	60.334°
Declination Date:	January 22, 2007
Magnetic Declination Model:	IGRF 2005
North Reference:	Grid North
Total Corr Mag North → Grid North:	+8.590°
Local Coordinates Referenced To:	Well Head

[illegible]

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Build Rate (deg/100 ft)	Mag : Grav Tool Face (deg)
	760.00	0.00	334.45	760.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	780.00	0.00	334.45	780.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	800.00	0.00	334.45	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	820.00	0.00	334.45	820.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	840.00	0.00	334.45	840.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	860.00	0.00	334.45	860.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	880.00	0.00	334.45	880.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	900.00	0.00	334.45	900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	920.00	0.00	334.45	920.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	940.00	0.00	334.45	940.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	960.00	0.00	334.45	960.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	980.00	0.00	334.45	980.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1000.00	0.00	334.45	1000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1020.00	0.00	334.45	1020.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1040.00	0.00	334.45	1040.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1060.00	0.00	334.45	1060.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1080.00	0.00	334.45	1080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1100.00	0.00	334.45	1100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1120.00	0.00	334.45	1120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1140.00	0.00	334.45	1140.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1160.00	0.00	334.45	1160.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1180.00	0.00	334.45	1180.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1200.00	0.00	334.45	1200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1220.00	0.00	334.45	1220.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1240.00	0.00	334.45	1240.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1260.00	0.00	334.45	1260.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1280.00	0.00	334.45	1280.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1300.00	0.00	334.45	1300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1320.00	0.00	334.45	1320.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1340.00	0.00	334.45	1340.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1360.00	0.00	334.45	1360.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1380.00	0.00	334.45	1380.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1400.00	0.00	334.45	1400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1420.00	0.00	334.45	1420.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1440.00	0.00	334.45	1440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1460.00	0.00	334.45	1460.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1480.00	0.00	334.45	1480.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1500.00	0.00	334.45	1500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1520.00	0.00	334.45	1520.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1540.00	0.00	334.45	1540.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1560.00	0.00	334.45	1560.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1580.00	0.00	334.45	1580.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1600.00	0.00	334.45	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1620.00	0.00	334.45	1620.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1640.00	0.00	334.45	1640.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1660.00	0.00	334.45	1660.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1680.00	0.00	334.45	1680.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1700.00	0.00	334.45	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1720.00	0.00	334.45	1720.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1740.00	0.00	334.45	1740.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1760.00	0.00	334.45	1760.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1780.00	0.00	334.45	1780.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1800.00	0.00	334.45	1800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	1820.00	0.00	334.45	1820.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Build Rate (deg/100 ft)	Mag / Grad Tool Face (deg)
	1840.00	0.00	334.45	1840.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	1860.00	0.00	334.45	1860.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	1880.00	0.00	334.45	1880.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	1900.00	0.00	334.45	1900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	1920.00	0.00	334.45	1920.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	1940.00	0.00	334.45	1940.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	1960.00	0.00	334.45	1960.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	1980.00	0.00	334.45	1980.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	2000.00	0.00	334.45	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2020.00	0.00	334.45	2020.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2040.00	0.00	334.45	2040.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2060.00	0.00	334.45	2060.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2080.00	0.00	334.45	2080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2100.00	0.00	334.45	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2120.00	0.00	334.45	2120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2140.00	0.00	334.45	2140.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2160.00	0.00	334.45	2160.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2180.00	0.00	334.45	2180.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2200.00	0.00	334.45	2200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2220.00	0.00	334.45	2220.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2240.00	0.00	334.45	2240.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2260.00	0.00	334.45	2260.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2280.00	0.00	334.45	2280.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2300.00	0.00	334.45	2300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2320.00	0.00	334.45	2320.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2340.00	0.00	334.45	2340.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2360.00	0.00	334.45	2360.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2380.00	0.00	334.45	2380.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2400.00	0.00	334.45	2400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2420.00	0.00	334.45	2420.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2440.00	0.00	334.45	2440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2460.00	0.00	334.45	2460.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2480.00	0.00	334.45	2480.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2500.00	0.00	334.45	2500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2520.00	0.00	334.45	2520.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2540.00	0.00	334.45	2540.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2560.00	0.00	334.45	2560.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2580.00	0.00	334.45	2580.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2600.00	0.00	334.45	2600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2620.00	0.00	334.45	2620.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2640.00	0.00	334.45	2640.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2660.00	0.00	334.45	2660.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2680.00	0.00	334.45	2680.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2700.00	0.00	334.45	2700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2720.00	0.00	334.45	2720.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2740.00	0.00	334.45	2740.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2760.00	0.00	334.45	2760.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2780.00	0.00	334.45	2780.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2800.00	0.00	334.45	2800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2820.00	0.00	334.45	2820.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2840.00	0.00	334.45	2840.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2860.00	0.00	334.45	2860.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2880.00	0.00	334.45	2880.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	2900.00	0.00	334.45	2900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--

[illegible]

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Build Rate (deg/100 ft)	Mag / Grav Tool Face (deg)
	4000.00	0.00	334.45	4000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4020.00	0.00	334.45	4020.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4040.00	0.00	334.45	4040.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4060.00	0.00	334.45	4060.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4080.00	0.00	334.45	4080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4100.00	0.00	334.45	4100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4120.00	0.00	334.45	4120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4140.00	0.00	334.45	4140.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4160.00	0.00	334.45	4160.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4180.00	0.00	334.45	4180.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4200.00	0.00	334.45	4200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4220.00	0.00	334.45	4220.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4240.00	0.00	334.45	4240.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4260.00	0.00	334.45	4260.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4280.00	0.00	334.45	4280.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4300.00	0.00	334.45	4300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4320.00	0.00	334.45	4320.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4340.00	0.00	334.45	4340.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4360.00	0.00	334.45	4360.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4380.00	0.00	334.45	4380.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4400.00	0.00	334.45	4400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4420.00	0.00	334.45	4420.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4440.00	0.00	334.45	4440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4460.00	0.00	334.45	4460.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4480.00	0.00	334.45	4480.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4500.00	0.00	334.45	4500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4520.00	0.00	334.45	4520.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4540.00	0.00	334.45	4540.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4560.00	0.00	334.45	4560.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4580.00	0.00	334.45	4580.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4600.00	0.00	334.45	4600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4620.00	0.00	334.45	4620.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4640.00	0.00	334.45	4640.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4660.00	0.00	334.45	4660.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4680.00	0.00	334.45	4680.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4700.00	0.00	334.45	4700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4720.00	0.00	334.45	4720.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4740.00	0.00	334.45	4740.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4760.00	0.00	334.45	4760.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4780.00	0.00	334.45	4780.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4800.00	0.00	334.45	4800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4820.00	0.00	334.45	4820.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4840.00	0.00	334.45	4840.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4860.00	0.00	334.45	4860.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4880.00	0.00	334.45	4880.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4900.00	0.00	334.45	4900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4920.00	0.00	334.45	4920.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4940.00	0.00	334.45	4940.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4960.00	0.00	334.45	4960.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	4980.00	0.00	334.45	4980.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5000.00	0.00	334.45	5000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5020.00	0.00	334.45	5020.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5040.00	0.00	334.45	5040.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5060.00	0.00	334.45	5060.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5080.00	0.00	334.45	5080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Build Rate (deg/100 ft)	Mag / Grav Tool Face (deg)
	5100.00	0.00	334.45	5100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5120.00	0.00	334.45	5120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5140.00	0.00	334.45	5140.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5160.00	0.00	334.45	5160.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5180.00	0.00	334.45	5180.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5200.00	0.00	334.45	5200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5220.00	0.00	334.45	5220.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5240.00	0.00	334.45	5240.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5260.00	0.00	334.45	5260.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5280.00	0.00	334.45	5280.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5300.00	0.00	334.45	5300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5320.00	0.00	334.45	5320.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5340.00	0.00	334.45	5340.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5360.00	0.00	334.45	5360.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
	5380.00	0.00	334.45	5380.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--
TOP	5395.77	0.00	334.45	5395.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	334.45N
	5400.00	0.06	334.45	5400.00	0.00	0.00	0.00	0.00	334.45	1.50	1.50	334.45N
	5420.00	0.36	334.45	5420.00	0.08	0.07	-0.03	0.08	334.45	1.50	1.50	334.45N
	5440.00	0.66	334.45	5440.00	0.26	0.23	-0.11	0.26	334.45	1.50	1.50	334.45N
	5460.00	0.96	334.45	5460.00	0.54	0.49	-0.23	0.54	334.45	1.50	1.50	334.45N
	5480.00	1.26	334.45	5479.99	0.93	0.84	-0.40	0.93	334.45	1.50	1.50	334.45N
	5500.00	1.56	334.45	5499.99	1.42	1.28	-0.61	1.42	334.45	1.50	1.50	334.45N
	5520.00	1.86	334.45	5519.98	2.02	1.82	-0.87	2.02	334.45	1.50	1.50	334.45N
	5540.00	2.16	334.45	5539.97	2.72	2.46	-1.17	2.72	334.45	1.50	1.50	334.45N
	5560.00	2.46	334.45	5559.95	3.53	3.18	-1.52	3.53	334.45	1.50	1.50	334.45N
5580.00	2.76	334.45	5579.93	4.44	4.01	-1.92	4.44	334.45	1.50	1.50	334.45N	
5600.00	3.06	334.45	5599.90	5.46	4.92	-2.35	5.46	334.45	1.50	1.50	334.45N	
5620.00	3.36	334.45	5619.87	6.58	5.94	-2.84	6.58	334.45	1.50	1.50	334.45N	
5640.00	3.66	334.45	5639.83	7.81	7.04	-3.37	7.81	334.45	1.50	1.50	334.45N	
5660.00	3.96	334.45	5659.79	9.14	8.24	-3.94	9.14	334.45	1.50	1.50	334.45N	
5680.00	4.26	334.45	5679.74	10.57	9.54	-4.56	10.57	334.45	1.50	1.50	334.45N	
5700.00	4.56	334.45	5699.68	12.11	10.93	-5.22	12.11	334.45	1.50	1.50	334.45N	
5720.00	4.86	334.45	5719.61	13.75	12.41	-5.93	13.75	334.45	1.50	1.50	334.45N	
5740.00	5.16	334.45	5739.53	15.50	13.98	-6.69	15.50	334.45	1.50	1.50	HSE	
5760.00	5.46	334.45	5759.45	17.35	15.66	-7.48	17.35	334.45	1.50	1.50	HSE	
5780.00	5.76	334.45	5779.35	19.31	17.42	-8.33	19.31	334.45	1.50	1.50	HSE	
5800.00	6.06	334.45	5799.25	21.37	19.28	-9.22	21.37	334.45	1.50	1.50	HSE	
5820.00	6.36	334.45	5819.13	23.53	21.23	-10.15	23.53	334.45	1.50	1.50	HSE	
5840.00	6.66	334.45	5839.00	25.80	23.28	-11.13	25.80	334.45	1.50	1.50	HSE	
5860.00	6.96	334.45	5858.86	28.18	25.42	-12.15	28.18	334.45	1.50	1.50	HSE	
5880.00	7.26	334.45	5878.70	30.65	27.65	-13.22	30.65	334.45	1.50	1.50	HSE	
5900.00	7.56	334.45	5898.54	33.23	29.98	-14.33	33.23	334.45	1.50	1.50	HSE	
5920.00	7.86	334.45	5918.36	35.92	32.40	-15.49	35.92	334.45	1.50	1.50	HSE	
5940.00	8.16	334.45	5938.16	38.71	34.92	-16.69	38.71	334.45	1.50	1.50	HSE	
5960.00	8.46	334.45	5957.95	41.60	37.53	-17.94	41.60	334.45	1.50	1.50	HSE	
5980.00	8.76	334.45	5977.72	44.59	40.23	-19.23	44.59	334.45	1.50	1.50	HSE	
6000.00	9.06	334.45	5997.48	47.69	43.03	-20.57	47.69	334.45	1.50	1.50	HSE	
6020.00	9.36	334.45	6017.23	50.89	45.92	-21.95	50.89	334.45	1.50	1.50	HSE	
6040.00	9.66	334.45	6036.95	54.20	48.90	-23.38	54.20	334.45	1.50	1.50	HSE	
6060.00	9.96	334.45	6056.66	57.61	51.97	-24.85	57.61	334.45	1.50	1.50	HSE	
6080.00	10.26	334.45	6076.35	61.12	55.14	-26.36	61.12	334.45	1.50	1.50	HSE	
6100.00	10.56	334.45	6096.02	64.74	58.40	-27.92	64.74	334.45	1.50	1.50	HSE	
6120.00	10.86	334.45	6115.67	68.45	61.76	-29.53	68.45	334.45	1.50	1.50	HSE	
6140.00	11.16	334.45	6135.30	72.27	65.21	-31.17	72.27	334.45	1.50	1.50	HSE	

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Build Rate (deg/100 ft)	Meg / Grav Tool Face (deg)
	7220.00	25.00	334.45	7152.85	424.47	382.95	-183.08	424.47	334.45	0.00	0.00	--
	7240.00	25.00	334.45	7170.98	432.92	390.58	-186.73	432.92	334.45	0.00	0.00	--
	7260.00	25.00	334.45	7189.11	441.37	398.21	-190.38	441.37	334.45	0.00	0.00	--
	7280.00	25.00	334.45	7207.23	449.83	405.83	-194.02	449.83	334.45	0.00	0.00	--
	7300.00	25.00	334.45	7225.38	458.28	413.46	-197.67	458.28	334.45	0.00	0.00	--
	7320.00	25.00	334.45	7243.48	466.73	421.08	-201.31	466.73	334.45	0.00	0.00	--
	7340.00	25.00	334.45	7261.61	475.18	428.71	-204.96	475.18	334.45	0.00	0.00	--
	7360.00	25.00	334.45	7279.74	483.64	436.33	-208.60	483.64	334.45	0.00	0.00	--
	7380.00	25.00	334.45	7297.86	492.09	443.96	-212.25	492.09	334.45	0.00	0.00	--
	7400.00	25.00	334.45	7315.99	500.54	451.59	-215.90	500.54	334.45	0.00	0.00	--
	7420.00	25.00	334.45	7334.11	508.99	459.21	-219.54	508.99	334.45	0.00	0.00	--
	7440.00	25.00	334.45	7352.24	517.45	466.84	-223.19	517.45	334.45	0.00	0.00	--
	7460.00	25.00	334.45	7370.37	525.90	474.46	-226.83	525.90	334.45	0.00	0.00	--
	7480.00	25.00	334.45	7388.49	534.35	482.09	-230.48	534.35	334.45	0.00	0.00	--
	7500.00	25.00	334.45	7406.62	542.80	489.71	-234.12	542.80	334.45	0.00	0.00	--
	7520.00	25.00	334.45	7424.75	551.25	497.34	-237.77	551.25	334.45	0.00	0.00	--
	7540.00	25.00	334.45	7442.87	559.71	504.97	-241.42	559.71	334.45	0.00	0.00	--
	7560.00	25.00	334.45	7461.00	568.16	512.59	-245.06	568.16	334.45	0.00	0.00	--
	7580.00	25.00	334.45	7479.12	576.61	520.22	-248.71	576.61	334.45	0.00	0.00	--
	7600.00	25.00	334.45	7497.25	585.06	527.84	-252.35	585.06	334.45	0.00	0.00	--
	7620.00	25.00	334.45	7515.38	593.52	535.47	-256.00	593.52	334.45	0.00	0.00	--
	7640.00	25.00	334.45	7533.50	601.97	543.09	-259.64	601.97	334.45	0.00	0.00	--
	7660.00	25.00	334.45	7551.63	610.42	550.72	-263.29	610.42	334.45	0.00	0.00	--
	7680.00	25.00	334.45	7569.75	618.87	558.35	-266.94	618.87	334.45	0.00	0.00	--
	7700.00	25.00	334.45	7587.88	627.33	565.97	-270.58	627.33	334.45	0.00	0.00	--
	7720.00	25.00	334.45	7606.01	635.78	573.60	-274.23	635.78	334.45	0.00	0.00	--
	7740.00	25.00	334.45	7624.13	644.23	581.22	-277.87	644.23	334.45	0.00	0.00	--
	7760.00	25.00	334.45	7642.26	652.68	588.85	-281.52	652.68	334.45	0.00	0.00	--
	7780.00	25.00	334.45	7660.39	661.14	596.47	-285.16	661.14	334.45	0.00	0.00	--
	7800.00	25.00	334.45	7678.51	669.59	604.10	-288.81	669.59	334.45	0.00	0.00	--
	7820.00	25.00	334.45	7696.64	678.04	611.73	-292.46	678.04	334.45	0.00	0.00	--
	7840.00	25.00	334.45	7714.76	686.48	619.35	-296.10	686.49	334.45	0.00	0.00	--
	7860.00	25.00	334.45	7732.89	694.94	626.98	-299.75	694.94	334.45	0.00	0.00	--
	7880.00	25.00	334.45	7751.02	703.40	634.60	-303.39	703.40	334.45	0.00	0.00	--
	7900.00	25.00	334.45	7769.14	711.85	642.23	-307.04	711.85	334.45	0.00	0.00	--
	7920.00	25.00	334.45	7787.27	720.30	649.85	-310.68	720.30	334.45	0.00	0.00	--
	7940.00	25.00	334.45	7805.39	728.75	657.48	-314.33	728.75	334.45	0.00	0.00	--
	7960.00	25.00	334.45	7823.52	737.21	665.11	-317.98	737.21	334.45	0.00	0.00	--
	7980.00	25.00	334.45	7841.65	745.66	672.73	-321.62	745.66	334.45	0.00	0.00	--
	8000.00	25.00	334.45	7859.77	754.11	680.36	-325.27	754.11	334.45	0.00	0.00	--
	8016.80	25.00	334.45	7875.00	761.21	686.76	-328.33	761.21	334.45	0.00	0.00	--

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: OXY USA WTP LIMITED PARTNERSHIP
Well Name & No. 8 – RIGHTHAND CANYON 35 FEDERAL
Location: 2205' FSL & 2250' FEL – SEC 35 – T21S – R24E – EDDY (SHL)
2590' FNL & 2590' FEL – SEC 35 – T21S – R24E – EDDY (BHL)
Lease: NM-53218

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I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
 2. Setting and/or Cementing of all casing strings
 3. BOPE tests
- Chaves and Roosevelt Counties call the Roswell Field Office, 2909 West Second St., Roswell NM 88201. During office hours call (505) 627-0258. After office hours call (505) 200-7902
 - Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
 - Lea County call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612
- B. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the **Glorieta** formation at approximately **2790 feet**.
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- D. If floor controls are required, (3M or Greater) 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 are located, this does not include the dog house or stairway area.

II. CASING:

- A. The **9-5/8** inch surface casing shall be set at **1600** feet and cemented to the surface. **Both stages to circulate.**
1. 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 a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 4. If cement falls back, remedial action will be done prior to drilling out that string.

- B. The minimum required fill of cement behind the 7 inch production casing is circulate cement to the surface.
- C. 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 I joints of the drill pipe will be installed prior to continuing drilling operations.

III. PRESSURE CONTROL:

- A. 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.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 PSI.
- C. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
1. The tests shall be done by an independent service company.
 2. The results of the test shall be reported to the appropriate BLM office.
 3. 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.
 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53. 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.
 5. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

IV. 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.