

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM94651

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
OXY USA INCORPORATEDContact: DAVID STEWART
E-Mail: david_stewart@oxy.com8. Well Name and No.
CEDAR CANYON 20 FEDERAL COM 24H9. API Well No.
30-015-44545-00-S13a. Address
5 GREENWAY PLAZA SUITE 110
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)

Carlsbad Field Office

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

OCD Artesia

Sec 29 T24S R29E NWNE 110FNL 1420FEL
32.195396 N Lat, 104.002663 W Lon10. Field and Pool or Exploratory Area
PIERCE CROSSING

11. County or Parish, State

EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change to Original A |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | PD |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

OXY USA Inc. respectfully requests approval for the following changes from the approved permit:

1. The horizontal lateral will increase to ~7500', amended C-102, directional plan and plot attached.

Surface ? 110 FNL 1420 FEL NWNE 29-24S 29E - Lat. 32.1953972 Long. 104.0026613
KOP ? 50 FSL 2200 FEL SWSE 20-24S 29E - Lat. 32.195851 Long. 104.0051816
PPP ? 340 FSL 2201 FEL SWSE 20-24S-29E ? Lat. 32.1966482 Long. 104.0051788
Amd Exit ? 2313 FSL 2201 FEL NWSE 17-24S-29E ? Lat. 32.216665 Long. 104.0051089
Amd BHL ? 2473 FSL 2200 FEL NWSE 17-24S-29E ? Lat. 32.2171048 Long. 104.0051074

2. A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. See attached for amended BOP diagrams.

SEE ATTACHED FOR
CONDITIONS OF APPROVBLM CONSERVATION
ARTESIA DISTRICT

MAR 28 2018

RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #397159 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 12/11/2017 (18PP0453SE)

Name (Printed/Typed) DAVID STEWART

Title REGULATORY ADVISOR

Signature (Electronic Submission)

Date 12/06/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ZOIA STEVENS

Title PETROLEUM ENGINEER

Date 03/21/2018

Conditions of approval, if any, are attached. Approval of this notice 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.

Office Carlsbad

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 page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #397159 that would not fit on the form

32. Additional remarks, continued

3. Change Production Casing from liner to full casing string, see attached for amended drilling plan.

5-1/2" 20# P-110 DQX casing @ 0-16149'.

4. Change cementing program, see attached for amended drilling plan.

a. Surface ? 332sx CL C w/ accelerator @ 14.2ppg, 1.68 yield, 100% excess, TOC-Surface

b. Intermediate ? 1st stage 513sx Pozzolan/C cmt w/ retarder @ 10.2ppg, 3.05 yield, 20% excess from 2830-6989' followed by 228sx CI H cmt w/ retarder, dispersant, salt @ 13.2ppg, 1.65 yield, 20% excess from 6989-7989'. 2nd stage 739sx CL C cmt w/ accelerator, retarder @ 12.9ppg, 1.85 yield, 75% excess from 0-2430' followed by 142sx CL C @ 14.8ppg, 1.33 yield, 20% Excess from 2430-2930'.

c. Production ? 1406sx CI H w/ retarder, dispersant, salt @ 13.2ppg, 1.63 yield, 15% Excess from 7489-16149'.

5. Change in the Mud Program.

| Depth | Fluid Type | Mud Weight |
|-------------|-----------------|------------|
| 0-400' | Water-Based Mud | 8.4-8.6 |
| 400-2930' | Water-Based Mud | 9.8-10.0 |
| 2930-7989' | Water-Based Mud | 8.8-9.6 |
| 7989-16149' | Oil-Based Mud | 8.8-9.6 |

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Bravos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|--|--|
| API Number 30-015-44545 | Pool Code 50371 | Pool Name Pierce Crossing Bone Spring |
| Property Code 319809 | Property Name CEDAR CANYON "20" FEDERAL COM | Well Number 24H |
| OGRID No. 16696 | Operator Name OXY USA INC. | Elevation 2954.8' |

Surface Location

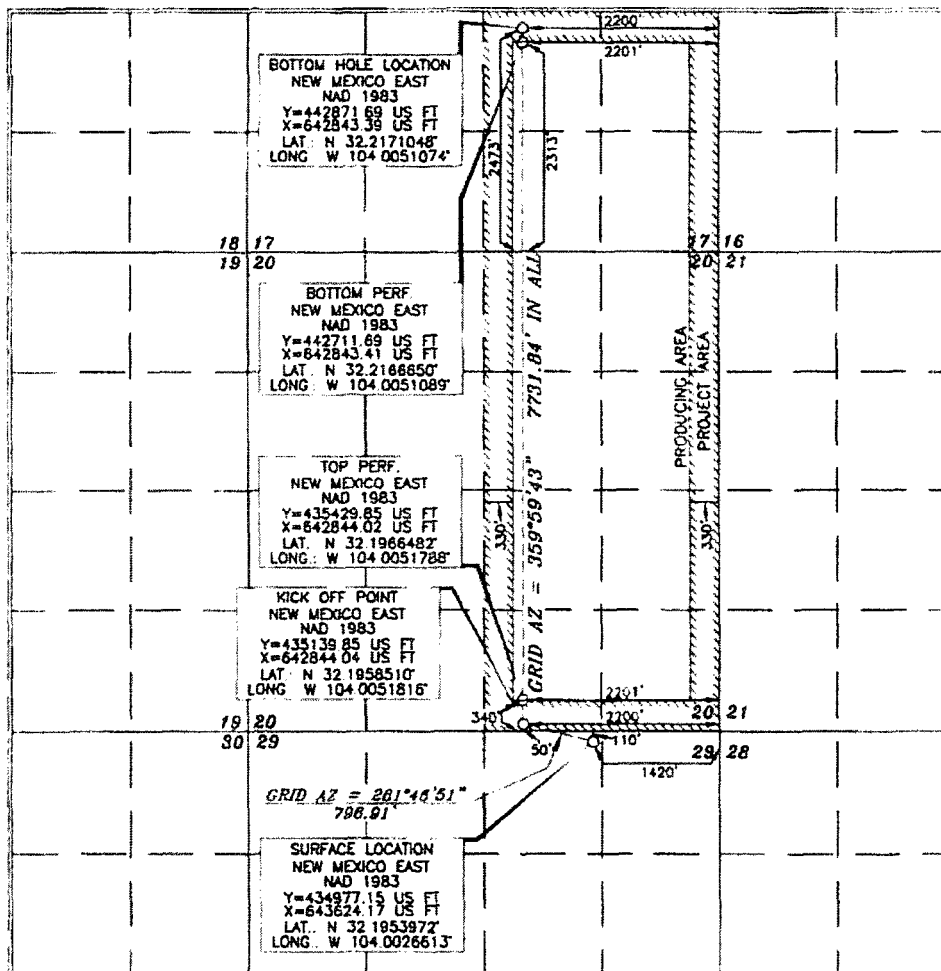
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| B | 29 | 24 SOUTH | 29 EAST, N.M.P.M. | | 110' | NORTH | 1420' | 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| J | 17 | 24 SOUTH | 29 EAST, N.M.P.M. | | 2473' | SOUTH | 2200' | EAST | EDDY |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No |
|-----------------|-----------------|--------------------|----------|
| 480 | 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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or as a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: David Stewart Date: 12/6/17
Printed Name: David Stewart
E-mail Address: david.stewart@oxy.com

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was located by field location manual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: February 14, 2018
Signature and Seal: Terry J. Asch
Professional Surveyor: 15079

OXY USA Inc. - Cedar Canyon 20 Federal Com 24H – Amended Drilling Plan

1. Geologic Formations

| | | | |
|---------------|--------|-------------------------------|------|
| TVD of target | 8623' | Pilot Hole Depth | N/A |
| MD at TD: | 16149' | Deepest Expected fresh water: | 336' |

Delaware Basin

| Formation | TVD - RKB | Expected Fluids |
|------------------------|-------------|-----------------|
| Rustler | 336 | Brine |
| Salado | 731 | Losses |
| Castile | 1344 | |
| Lamar/Delaware | 2879 | |
| Bell Canyon | 2912 | Water |
| Cherry Canyon | 3794 | Oil/Gas |
| Brushy Canyon | 5038 | Oil/Gas/Losses |
| Bone Spring | 6614 | Oil/Gas |
| 1st Bone Spring | 7347 | Oil/Gas |
| 2nd Bone Spring | 7778 | Oil/Gas |

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

2. Casing Program

| Hole Size (in) | Casing Interval | | Csg. Size (in) | Weight (lbs) | Grade | Conn. | Buoyant Buoyant | | | |
|-------------------------------|-----------------|---------|-------------------|-----------------|--------|-------|-----------------|----------|--------------------|---------------------|
| | From (ft) | To (ft) | | | | | SF Collapse | SF Burst | Body SF Tension | Joint SF Tension |
| 17.5 | 0 | 400 | 13.375 | 54.5 | J55 | BTC | 1.125 | 1.2 | 1.4 | 1.4 |
| 12.25 | 0 | 7500 | 9.625 | 43.5 | HCL-80 | BTC | 1.125 | 1.2 | 1.4 | 1.4 |
| 12.25 | 7500 | 7989 | 9.625 | 47 | HCL-80 | BTC | 1.125 | 1.2 | 1.4 | 1.4 |
| 8.5 | 0 | 16149 | 5.5 | 20 | P-110 | DQX | 1.125 | 1.2 | 1.4 | 1.4 |
| SF Values will meet or Exceed | | | | | | | | | | |

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

*OXY requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage we will drop a cancellation cone and not pump the second stage.

| | Y or N |
|--|--------|
| Is casing new? If used, attach certification as required in Onshore Order #1 | Y |
| Does casing meet API specifications? If no, attach casing specification sheet. | Y |
| Is premium or uncommon casing planned? If yes attach casing specification sheet. | Y |
| Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria). | Y |
| Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing? | Y |

OXY USA Inc. - Cedar Canyon 20 Federal Com 24H – Amended Drilling Plan

| | |
|--|---|
| Is well located within Capitan Reef? | N |
| If yes, does production casing cement tie back a minimum of 50' above the Reef? | |
| Is well within the designated 4 string boundary. | |
| Is well located in SOPA but not in R-111-P? | N |
| If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing? | |
| Is well located in R-111-P and SOPA? | N |
| If yes, are the first three strings cemented to surface? | |
| Is 2 nd string set 100' to 600' below the base of salt? | |
| Is well located in high Cave/Karst? | N |
| If yes, are there two strings cemented to surface? | |
| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs? | |
| Is well located in critical Cave/Karst? | N |
| If yes, are there three strings cemented to surface? | |

3. Cementing Program

| Casing | # Sks | Wt. (lb/gal) | Yld (ft3/sack) | H2O (gal/sk) | 500# Comp. Strength (hours) | Slurry Description |
|---|-------|-----------------|-------------------|-----------------|-----------------------------------|--|
| Surface | 332 | 14.2 | 1.68 | 6.53 | 6:50 | Class C Cement, Accelerator |
| 1st Stage | 513 | 10.2 | 3.05 | 15.63 | 15:07 | Pozzolan Cement, Retarder |
| Intermediate | 228 | 13.2 | 1.65 | 8.45 | 12:57 | Class H Cement, Retarder, Dispersant, Salt |
| DV/ECP Tool @ 2930' (We request the option to cancel the second stage if cement is circulated to surface during the first stage of cement operations) | | | | | | |
| 2nd Stage Int | 739 | 12.9 | 1.85 | 9.86 | 12:44 | Class C Cement, Accelerator, Retarder |
| Casing | 142 | 14.8 | 1.33 | 6.34 | 6:31 | Class C Cement |
| Production Casing | 1406 | 13.2 | 1.631 | 8.37 | 15:15 | Class H Cement, Retarder, Dispersant, Salt |

| Casing String | Top of Lead (ft) | Bottom of Lead (ft) | Top of Tail (ft) | Bottom of Tail (ft) | % Excess Lead | % Excess Tail |
|-------------------------------|------------------|---------------------|------------------|---------------------|---------------|---------------|
| Surface | N/A | N/A | 0 | 400 | N/A | 100% |
| 1st Stage Intermediate Casing | 2830 | 6989 | 6989 | 7989 | 20% | 20% |
| 2nd Stage Intermediate Casing | 0 | 2430 | 2430 | 2930 | 75% | 20% |
| Production Casing | N/A | N/A | 7489 | 16149 | N/A | 15% |

OXY USA Inc. - Cedar Canyon 20 Federal Com 24H – Amended Drilling Plan

4. Pressure Control Equipment

| BOP installed and tested before drilling which hole? | Size? | Min. Required WP | Type | ✓ | Tested to: |
|--|---------|------------------|------------|---|-------------------------|
| 12.25" Hole | 13-5/8" | 5M | Annular | ✓ | 70% of working pressure |
| | | | Blind Ram | ✓ | 250/5000psi |
| | | | Pipe Ram | | |
| | | | Double Ram | ✓ | |
| | | | Other* | | |

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

| | |
|--|---------------------------------------|
| Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i. | |
| A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart. | |
| Y | Are anchors required by manufacturer? |
| A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015. See attached schematics. | |

OXY USA Inc. - Cedar Canyon 20 Federal Com 24H – Amended Drilling Plan

5. Mud Program

| Depth | | Type | Weight (ppg) | Viscosity | Water Loss |
|-----------|---------|-----------------|--------------|-----------|------------|
| From (ft) | To (ft) | | | | |
| 0 | 400 | Water-Based Mud | 8.4-8.6 | 40-60 | N/C |
| 400 | 2930 | Water-Based Mud | 9.8-10.0 | 35-45 | N/C |
| 2930 | 7989 | Water-Based Mud | 8.8-9.6 | 38-50 | N/C |
| 7989 | 16149 | Oil Based Mud | 8.8-9.6 | 35-50 | N/C |

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

OXY proposes to drill out the 13-3/8" surface casing shoe with a saturated brine system from 400-2930', which is the base of the salt system. At this point we will swap fluid systems to a high viscosity mixed metal hydroxide system or a fully saturated brine direct emulsion system. We will drill with this system to the intermediate TD @ 7989'.

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

6. Logging and Testing Procedures

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

| Additional logs planned | | Interval |
|-------------------------|-------------|----------|
| No | Resistivity | |
| No | Density | |
| No | CBL | |
| Yes | Mud log | ICP - TD |
| No | PEX | |

OXY USA Inc. - Cedar Canyon 20 Federal Com 24H – Amended Drilling Plan

7. Drilling Conditions

| Condition | Specify what type and where? |
|-------------------------------|------------------------------|
| BH Pressure at deepest TVD | 4305 psi |
| Abnormal Temperature | No |
| BH Temperature at deepest TVD | 149°F |

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

Hydrogen Sulfide (H₂S) monitors will be installed prior to drilling out the surface shoe. If H₂S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

| | |
|---|--------------------------------|
| N | H ₂ S is present |
| Y | H ₂ S Plan attached |

8. Other facets of operation

| | Yes/No |
|--|--------|
| Will the well be drilled with a walking/skidding operation? If yes, describe. <ul style="list-style-type: none">We plan to drill the three well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well. | Yes |
| Will more than one drilling rig be used for drilling operations? If yes, describe. <ul style="list-style-type: none">OXY requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that Oxy would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig. | Yes |

Total estimated cuttings volume: 1798 bbls.

9. Company Personnel

| Name | Title | Office Phone | Mobile Phone |
|------------------|------------------------------|--------------|--------------|
| Philippe Haffner | Drilling Engineer | 713-985-6379 | 832-767-9047 |
| Diego Tellez | Drilling Engineer Supervisor | 713-350-4602 | 713-303-4932 |
| Simon Benavides | Drilling Superintendent | 713-522-8652 | 281-684-6897 |
| John Willis | Drilling Manager | 713-366-5556 | 713-259-1417 |

OXY

PRD NM DIRECTIONAL PLANS (NAD 1983)

CEDAR CANYON 20 FED COM

CEDAR CANYON 20 FED COM 24H

WB00

Plan: Permitting Plan

Standard Planning Report

10 October, 2017

Oxy

Planning Report

| | | | |
|------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Database: | HOPSPP | Local Co-ordinate Reference: | Well CEDAR CANYON 20 FED COM 24H |
| Company: | ENGINEERING DESIGNS | TVD Reference: | DATUM @ 2981.30ft |
| Project: | PRD NM DIRECTIONAL PLANS (NAD 1983) | MD Reference: | DATUM @ 2981.30ft |
| Site: | CEDAR CANYON 20 FED COM | North Reference: | Grid |
| Well: | CEDAR CANYON 20 FED COM 24H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | WB00 | | |
| Design: | Permitting Plan | | |

| | | | |
|--------------------|-------------------------------------|----------------------|-----------------------------|
| Project | PRD NM DIRECTIONAL PLANS (NAD 1983) | | |
| Map System: | US State Plane 1983 | System Datum: | Mean Sea Level |
| Geo Datum: | North American Datum 1983 | | |
| Map Zone: | New Mexico Eastern Zone | | Using geodetic scale factor |

| | | | | | |
|-----------------------|---------|-------------------------|-----------------|-------------------|---------------------|
| Site | | CEDAR CANYON 20 FED COM | | | |
| Site Position: | | Northing: | 434,977.15 usft | Latitude: | 32° 11' 43.429845 N |
| From: | Map | Easting: | 643,624.17 usft | Longitude: | 104° 0' 9.580464 W |
| Position Uncertainty: | 0.00 ft | Slot Radius: | 13.200 in | Grid Convergence: | 0.18 ° |

| | | | | | | |
|----------------------|-----------------------------|---------|---------------------|-----------------|---------------|---------------------|
| Well | CEDAR CANYON 20 FED COM 24H | | | | | |
| Well Position | +N/-S | 0.00 ft | Northing: | 434,977.15 usft | Latitude: | 32° 11' 43.429845 N |
| | +E/-W | 0.00 ft | Easting: | 643,624.17 usft | Longitude: | 104° 0' 9.580464 W |
| Position Uncertainty | | 0.00 ft | Wellhead Elevation: | 0.00 ft | Ground Level: | 2,954.80 ft |

| | | | | | |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| Wellbore | WB00 | | | | |
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | HDGM | 10/10/2017 | 7.12 | 59.98 | 48,083 |

| | | | | |
|--------------------------|------------------------------|-------------------|----------------------|----------------------|
| Design | Permitting Plan | | | |
| Audit Notes: | | | | |
| Version: | Phase: | PROTOTYPE | Tie On Depth: | 0.00 |
| Vertical Section: | Depth From (TVD) (ft) | +N/-S (ft) | +E/-W (ft) | Direction (°) |
| | 0.00 | 0.00 | 0.00 | 354.35 |

| Plan Sections | | | | | | | | | | |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|----------------------|---------------------|---------|----------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) | TFO (°) | Target |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,000.00 | 0.00 | 0.00 | 3,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,499.89 | 10.00 | 281.78 | 3,497.36 | 8.88 | -42.59 | 2.00 | 2.00 | 0.00 | 281.78 | |
| 7,589.32 | 10.00 | 281.78 | 7,524.68 | 153.83 | -737.61 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 8,089.21 | 0.00 | 360.00 | 8,022.04 | 162.71 | -780.19 | 2.00 | -2.00 | 0.00 | 180.00 | CC_20_FED_COM_ |
| 8,987.21 | 89.80 | 360.00 | 8,595.00 | 733.67 | -780.24 | 10.00 | 10.00 | 0.00 | 0.00 | |
| 16,148.77 | 89.75 | 360.00 | 8,623.00 | 7,895.18 | -780.84 | 0.00 | 0.00 | 0.00 | 180.00 | CC_20_FED_COM_ |

Oxy

Planning Report

Database: HOPSPP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CEDAR CANYON 20 FED COM
Well: CEDAR CANYON 20 FED COM 24H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CEDAR CANYON 20 FED COM 24H
TVD Reference: DATUM @ 2981.30ft
MD Reference: DATUM @ 2981.30ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 200.00 | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 600.00 | 0.00 | 0.00 | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 700.00 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 800.00 | 0.00 | 0.00 | 800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 900.00 | 0.00 | 0.00 | 900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,100.00 | 0.00 | 0.00 | 1,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,200.00 | 0.00 | 0.00 | 1,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,300.00 | 0.00 | 0.00 | 1,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,400.00 | 0.00 | 0.00 | 1,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,600.00 | 0.00 | 0.00 | 1,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,700.00 | 0.00 | 0.00 | 1,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,800.00 | 0.00 | 0.00 | 1,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1,900.00 | 0.00 | 0.00 | 1,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,000.00 | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,100.00 | 0.00 | 0.00 | 2,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,200.00 | 0.00 | 0.00 | 2,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,300.00 | 0.00 | 0.00 | 2,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,400.00 | 0.00 | 0.00 | 2,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,500.00 | 0.00 | 0.00 | 2,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,600.00 | 0.00 | 0.00 | 2,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,700.00 | 0.00 | 0.00 | 2,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,800.00 | 0.00 | 0.00 | 2,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2,900.00 | 0.00 | 0.00 | 2,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,000.00 | 0.00 | 0.00 | 3,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,100.00 | 2.00 | 281.78 | 3,099.98 | 0.36 | -1.71 | 0.52 | 2.00 | 2.00 | 0.00 |
| 3,200.00 | 4.00 | 281.78 | 3,199.84 | 1.42 | -6.83 | 2.09 | 2.00 | 2.00 | 0.00 |
| 3,300.00 | 6.00 | 281.78 | 3,299.45 | 3.20 | -15.36 | 4.70 | 2.00 | 2.00 | 0.00 |
| 3,400.00 | 8.00 | 281.78 | 3,398.70 | 5.69 | -27.29 | 8.35 | 2.00 | 2.00 | 0.00 |
| 3,499.89 | 10.00 | 281.78 | 3,497.36 | 8.88 | -42.59 | 13.03 | 2.00 | 2.00 | 0.00 |
| 3,500.00 | 10.00 | 281.78 | 3,497.47 | 8.89 | -42.61 | 13.04 | 0.00 | 0.00 | 0.00 |
| 3,600.00 | 10.00 | 281.78 | 3,595.95 | 12.43 | -59.60 | 18.24 | 0.00 | 0.00 | 0.00 |
| 3,700.00 | 10.00 | 281.78 | 3,694.43 | 15.97 | -76.60 | 23.44 | 0.00 | 0.00 | 0.00 |
| 3,800.00 | 10.00 | 281.78 | 3,792.91 | 19.52 | -93.59 | 28.64 | 0.00 | 0.00 | 0.00 |
| 3,900.00 | 10.00 | 281.78 | 3,891.39 | 23.06 | -110.59 | 33.84 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 10.00 | 281.78 | 3,989.87 | 26.61 | -127.58 | 39.04 | 0.00 | 0.00 | 0.00 |
| 4,100.00 | 10.00 | 281.78 | 4,088.35 | 30.15 | -144.58 | 44.24 | 0.00 | 0.00 | 0.00 |
| 4,200.00 | 10.00 | 281.78 | 4,186.84 | 33.70 | -161.57 | 49.44 | 0.00 | 0.00 | 0.00 |
| 4,300.00 | 10.00 | 281.78 | 4,285.32 | 37.24 | -178.57 | 54.64 | 0.00 | 0.00 | 0.00 |
| 4,400.00 | 10.00 | 281.78 | 4,383.80 | 40.79 | -195.57 | 59.84 | 0.00 | 0.00 | 0.00 |
| 4,500.00 | 10.00 | 281.78 | 4,482.28 | 44.33 | -212.56 | 65.04 | 0.00 | 0.00 | 0.00 |
| 4,600.00 | 10.00 | 281.78 | 4,580.76 | 47.88 | -229.56 | 70.24 | 0.00 | 0.00 | 0.00 |
| 4,700.00 | 10.00 | 281.78 | 4,679.24 | 51.42 | -246.55 | 75.44 | 0.00 | 0.00 | 0.00 |
| 4,800.00 | 10.00 | 281.78 | 4,777.72 | 54.96 | -263.55 | 80.64 | 0.00 | 0.00 | 0.00 |
| 4,900.00 | 10.00 | 281.78 | 4,876.21 | 58.51 | -280.54 | 85.84 | 0.00 | 0.00 | 0.00 |
| 5,000.00 | 10.00 | 281.78 | 4,974.69 | 62.05 | -297.54 | 91.04 | 0.00 | 0.00 | 0.00 |
| 5,100.00 | 10.00 | 281.78 | 5,073.17 | 65.60 | -314.53 | 96.24 | 0.00 | 0.00 | 0.00 |
| 5,200.00 | 10.00 | 281.78 | 5,171.65 | 69.14 | -331.53 | 101.44 | 0.00 | 0.00 | 0.00 |

Oxy

Planning Report

Database: HOPSP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CEDAR CANYON 20 FED COM
Well: CEDAR CANYON 20 FED COM 24H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CEDAR CANYON 20 FED COM 24H
TVD Reference: DATUM @ 2981.30ft
MD Reference: DATUM @ 2981.30ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

| Planned Survey | | | | | | | | | |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 5,300.00 | 10.00 | 281.78 | 5,270.13 | 72.69 | -348.52 | 106.64 | 0.00 | 0.00 | 0.00 |
| 5,400.00 | 10.00 | 281.78 | 5,368.61 | 76.23 | -365.52 | 111.84 | 0.00 | 0.00 | 0.00 |
| 5,500.00 | 10.00 | 281.78 | 5,467.09 | 79.78 | -382.52 | 117.04 | 0.00 | 0.00 | 0.00 |
| 5,600.00 | 10.00 | 281.78 | 5,565.58 | 83.32 | -399.51 | 122.24 | 0.00 | 0.00 | 0.00 |
| 5,700.00 | 10.00 | 281.78 | 5,664.06 | 86.86 | -416.51 | 127.44 | 0.00 | 0.00 | 0.00 |
| 5,800.00 | 10.00 | 281.78 | 5,762.54 | 90.41 | -433.50 | 132.64 | 0.00 | 0.00 | 0.00 |
| 5,900.00 | 10.00 | 281.78 | 5,861.02 | 93.95 | -450.50 | 137.84 | 0.00 | 0.00 | 0.00 |
| 6,000.00 | 10.00 | 281.78 | 5,959.50 | 97.50 | -467.49 | 143.04 | 0.00 | 0.00 | 0.00 |
| 6,100.00 | 10.00 | 281.78 | 6,057.98 | 101.04 | -484.49 | 148.24 | 0.00 | 0.00 | 0.00 |
| 6,200.00 | 10.00 | 281.78 | 6,156.46 | 104.59 | -501.48 | 153.44 | 0.00 | 0.00 | 0.00 |
| 6,300.00 | 10.00 | 281.78 | 6,254.95 | 108.13 | -518.48 | 158.64 | 0.00 | 0.00 | 0.00 |
| 6,400.00 | 10.00 | 281.78 | 6,353.43 | 111.68 | -535.48 | 163.84 | 0.00 | 0.00 | 0.00 |
| 6,500.00 | 10.00 | 281.78 | 6,451.91 | 115.22 | -552.47 | 169.04 | 0.00 | 0.00 | 0.00 |
| 6,600.00 | 10.00 | 281.78 | 6,550.39 | 118.77 | -569.47 | 174.24 | 0.00 | 0.00 | 0.00 |
| 6,700.00 | 10.00 | 281.78 | 6,648.87 | 122.31 | -586.46 | 179.44 | 0.00 | 0.00 | 0.00 |
| 6,800.00 | 10.00 | 281.78 | 6,747.35 | 125.85 | -603.46 | 184.64 | 0.00 | 0.00 | 0.00 |
| 6,900.00 | 10.00 | 281.78 | 6,845.83 | 129.40 | -620.45 | 189.84 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 10.00 | 281.78 | 6,944.32 | 132.94 | -637.45 | 195.04 | 0.00 | 0.00 | 0.00 |
| 7,100.00 | 10.00 | 281.78 | 7,042.80 | 136.49 | -654.44 | 200.24 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 10.00 | 281.78 | 7,141.28 | 140.03 | -671.44 | 205.44 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 10.00 | 281.78 | 7,239.76 | 143.58 | -688.43 | 210.64 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | 10.00 | 281.78 | 7,338.24 | 147.12 | -705.43 | 215.84 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 10.00 | 281.78 | 7,436.72 | 150.67 | -722.43 | 221.04 | 0.00 | 0.00 | 0.00 |
| 7,589.32 | 10.00 | 281.78 | 7,524.68 | 153.83 | -737.61 | 225.68 | 0.00 | 0.00 | 0.00 |
| 7,600.00 | 9.78 | 281.78 | 7,535.21 | 154.21 | -739.40 | 226.23 | 2.00 | -2.00 | 0.00 |
| 7,700.00 | 7.78 | 281.78 | 7,634.03 | 157.32 | -754.35 | 230.80 | 2.00 | -2.00 | 0.00 |
| 7,800.00 | 5.78 | 281.78 | 7,733.32 | 159.74 | -765.91 | 234.34 | 2.00 | -2.00 | 0.00 |
| 7,900.00 | 3.78 | 281.78 | 7,832.97 | 161.44 | -774.08 | 236.84 | 2.00 | -2.00 | 0.00 |
| 8,000.00 | 1.78 | 281.78 | 7,932.85 | 162.43 | -778.83 | 238.29 | 2.00 | -2.00 | 0.00 |
| 8,089.21 | 0.00 | 360.00 | 8,022.04 | 162.71 | -780.19 | 238.71 | 2.00 | -2.00 | 0.00 |
| 8,100.00 | 1.08 | 360.00 | 8,032.83 | 162.81 | -780.19 | 238.81 | 10.00 | 10.00 | 0.00 |
| 8,200.00 | 11.08 | 360.00 | 8,132.14 | 173.39 | -780.19 | 249.34 | 10.00 | 10.00 | 0.00 |
| 8,300.00 | 21.08 | 360.00 | 8,228.11 | 201.05 | -780.20 | 276.86 | 10.00 | 10.00 | 0.00 |
| 8,400.00 | 31.08 | 360.00 | 8,317.81 | 244.96 | -780.20 | 320.56 | 10.00 | 10.00 | 0.00 |
| 8,500.00 | 41.08 | 360.00 | 8,398.53 | 303.77 | -780.21 | 379.09 | 10.00 | 10.00 | 0.00 |
| 8,600.00 | 51.08 | 360.00 | 8,467.81 | 375.71 | -780.21 | 450.68 | 10.00 | 10.00 | 0.00 |
| 8,700.00 | 61.08 | 360.00 | 8,523.55 | 458.59 | -780.22 | 533.15 | 10.00 | 10.00 | 0.00 |
| 8,800.00 | 71.08 | 360.00 | 8,564.04 | 549.88 | -780.23 | 624.00 | 10.00 | 10.00 | 0.00 |
| 8,900.00 | 81.08 | 360.00 | 8,588.07 | 646.82 | -780.23 | 720.47 | 10.00 | 10.00 | 0.00 |
| 8,987.21 | 89.80 | 360.00 | 8,595.00 | 733.67 | -780.24 | 806.90 | 10.00 | 10.00 | 0.00 |
| 9,000.00 | 89.80 | 360.00 | 8,595.04 | 746.46 | -780.24 | 819.63 | 0.00 | 0.00 | 0.00 |
| 9,100.00 | 89.80 | 360.00 | 8,595.39 | 846.46 | -780.25 | 919.14 | 0.00 | 0.00 | 0.00 |
| 9,200.00 | 89.80 | 360.00 | 8,595.74 | 946.46 | -780.26 | 1,018.66 | 0.00 | 0.00 | 0.00 |
| 9,300.00 | 89.80 | 360.00 | 8,596.09 | 1,046.46 | -780.27 | 1,118.17 | 0.00 | 0.00 | 0.00 |
| 9,400.00 | 89.80 | 360.00 | 8,596.45 | 1,146.46 | -780.28 | 1,217.69 | 0.00 | 0.00 | 0.00 |
| 9,500.00 | 89.80 | 360.00 | 8,596.80 | 1,246.46 | -780.28 | 1,317.20 | 0.00 | 0.00 | 0.00 |
| 9,600.00 | 89.80 | 360.00 | 8,597.16 | 1,346.46 | -780.29 | 1,416.72 | 0.00 | 0.00 | 0.00 |
| 9,700.00 | 89.80 | 360.00 | 8,597.51 | 1,446.46 | -780.30 | 1,516.23 | 0.00 | 0.00 | 0.00 |
| 9,800.00 | 89.79 | 360.00 | 8,597.87 | 1,546.46 | -780.31 | 1,615.75 | 0.00 | 0.00 | 0.00 |
| 9,900.00 | 89.79 | 360.00 | 8,598.23 | 1,646.46 | -780.32 | 1,715.26 | 0.00 | 0.00 | 0.00 |
| 10,000.00 | 89.79 | 360.00 | 8,598.59 | 1,746.46 | -780.33 | 1,814.78 | 0.00 | 0.00 | 0.00 |
| 10,100.00 | 89.79 | 360.00 | 8,598.95 | 1,846.45 | -780.33 | 1,914.29 | 0.00 | 0.00 | 0.00 |
| 10,200.00 | 89.79 | 360.00 | 8,599.32 | 1,946.45 | -780.34 | 2,013.81 | 0.00 | 0.00 | 0.00 |
| 10,300.00 | 89.79 | 360.00 | 8,599.68 | 2,046.45 | -780.35 | 2,113.32 | 0.00 | 0.00 | 0.00 |

Oxy

Planning Report

Database: HOPSPP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CEDAR CANYON 20 FED COM
Well: CEDAR CANYON 20 FED COM 24H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CEDAR CANYON 20 FED COM 24H
TVD Reference: DATUM @ 2981.30ft
MD Reference: DATUM @ 2981.30ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 10,400.00 | 89.79 | 360.00 | 8,600.05 | 2,146.45 | -780.36 | 2,212.84 | 0.00 | 0.00 | 0.00 |
| 10,500.00 | 89.79 | 360.00 | 8,600.41 | 2,246.45 | -780.37 | 2,312.35 | 0.00 | 0.00 | 0.00 |
| 10,600.00 | 89.79 | 360.00 | 8,600.78 | 2,346.45 | -780.38 | 2,411.86 | 0.00 | 0.00 | 0.00 |
| 10,700.00 | 89.79 | 360.00 | 8,601.15 | 2,446.45 | -780.39 | 2,511.38 | 0.00 | 0.00 | 0.00 |
| 10,800.00 | 89.79 | 360.00 | 8,601.52 | 2,546.45 | -780.39 | 2,610.89 | 0.00 | 0.00 | 0.00 |
| 10,900.00 | 89.79 | 360.00 | 8,601.89 | 2,646.45 | -780.40 | 2,710.41 | 0.00 | 0.00 | 0.00 |
| 11,000.00 | 89.79 | 360.00 | 8,602.26 | 2,746.45 | -780.41 | 2,809.92 | 0.00 | 0.00 | 0.00 |
| 11,100.00 | 89.79 | 360.00 | 8,602.63 | 2,846.45 | -780.42 | 2,909.44 | 0.00 | 0.00 | 0.00 |
| 11,200.00 | 89.79 | 360.00 | 8,603.01 | 2,946.45 | -780.43 | 3,008.95 | 0.00 | 0.00 | 0.00 |
| 11,300.00 | 89.78 | 360.00 | 8,603.38 | 3,046.45 | -780.44 | 3,108.47 | 0.00 | 0.00 | 0.00 |
| 11,400.00 | 89.78 | 360.00 | 8,603.76 | 3,146.45 | -780.44 | 3,207.98 | 0.00 | 0.00 | 0.00 |
| 11,500.00 | 89.78 | 360.00 | 8,604.14 | 3,246.45 | -780.45 | 3,307.50 | 0.00 | 0.00 | 0.00 |
| 11,600.00 | 89.78 | 360.00 | 8,604.52 | 3,346.44 | -780.46 | 3,407.01 | 0.00 | 0.00 | 0.00 |
| 11,700.00 | 89.78 | 360.00 | 8,604.90 | 3,446.44 | -780.47 | 3,506.53 | 0.00 | 0.00 | 0.00 |
| 11,800.00 | 89.78 | 360.00 | 8,605.28 | 3,546.44 | -780.48 | 3,606.04 | 0.00 | 0.00 | 0.00 |
| 11,900.00 | 89.78 | 360.00 | 8,605.66 | 3,646.44 | -780.49 | 3,705.55 | 0.00 | 0.00 | 0.00 |
| 12,000.00 | 89.78 | 360.00 | 8,606.04 | 3,746.44 | -780.49 | 3,805.07 | 0.00 | 0.00 | 0.00 |
| 12,100.00 | 89.78 | 360.00 | 8,606.43 | 3,846.44 | -780.50 | 3,904.58 | 0.00 | 0.00 | 0.00 |
| 12,200.00 | 89.78 | 360.00 | 8,606.82 | 3,946.44 | -780.51 | 4,004.10 | 0.00 | 0.00 | 0.00 |
| 12,300.00 | 89.78 | 360.00 | 8,607.20 | 4,046.44 | -780.52 | 4,103.61 | 0.00 | 0.00 | 0.00 |
| 12,400.00 | 89.78 | 360.00 | 8,607.59 | 4,146.44 | -780.53 | 4,203.13 | 0.00 | 0.00 | 0.00 |
| 12,500.00 | 89.78 | 360.00 | 8,607.98 | 4,246.44 | -780.54 | 4,302.64 | 0.00 | 0.00 | 0.00 |
| 12,600.00 | 89.78 | 360.00 | 8,608.37 | 4,346.44 | -780.54 | 4,402.16 | 0.00 | 0.00 | 0.00 |
| 12,700.00 | 89.78 | 360.00 | 8,608.76 | 4,446.44 | -780.55 | 4,501.67 | 0.00 | 0.00 | 0.00 |
| 12,800.00 | 89.77 | 360.00 | 8,609.16 | 4,546.44 | -780.56 | 4,601.19 | 0.00 | 0.00 | 0.00 |
| 12,900.00 | 89.77 | 360.00 | 8,609.55 | 4,646.43 | -780.57 | 4,700.70 | 0.00 | 0.00 | 0.00 |
| 13,000.00 | 89.77 | 360.00 | 8,609.95 | 4,746.43 | -780.58 | 4,800.21 | 0.00 | 0.00 | 0.00 |
| 13,100.00 | 89.77 | 360.00 | 8,610.34 | 4,846.43 | -780.59 | 4,899.73 | 0.00 | 0.00 | 0.00 |
| 13,200.00 | 89.77 | 360.00 | 8,610.74 | 4,946.43 | -780.60 | 4,999.24 | 0.00 | 0.00 | 0.00 |
| 13,300.00 | 89.77 | 360.00 | 8,611.14 | 5,046.43 | -780.60 | 5,098.76 | 0.00 | 0.00 | 0.00 |
| 13,400.00 | 89.77 | 360.00 | 8,611.54 | 5,146.43 | -780.61 | 5,198.27 | 0.00 | 0.00 | 0.00 |
| 13,500.00 | 89.77 | 360.00 | 8,611.94 | 5,246.43 | -780.62 | 5,297.79 | 0.00 | 0.00 | 0.00 |
| 13,600.00 | 89.77 | 360.00 | 8,612.34 | 5,346.43 | -780.63 | 5,397.30 | 0.00 | 0.00 | 0.00 |
| 13,700.00 | 89.77 | 360.00 | 8,612.75 | 5,446.43 | -780.64 | 5,496.82 | 0.00 | 0.00 | 0.00 |
| 13,800.00 | 89.77 | 360.00 | 8,613.15 | 5,546.43 | -780.65 | 5,596.33 | 0.00 | 0.00 | 0.00 |
| 13,900.00 | 89.77 | 360.00 | 8,613.56 | 5,646.43 | -780.65 | 5,695.85 | 0.00 | 0.00 | 0.00 |
| 14,000.00 | 89.77 | 360.00 | 8,613.97 | 5,746.43 | -780.66 | 5,795.36 | 0.00 | 0.00 | 0.00 |
| 14,100.00 | 89.77 | 360.00 | 8,614.38 | 5,846.42 | -780.67 | 5,894.87 | 0.00 | 0.00 | 0.00 |
| 14,200.00 | 89.77 | 360.00 | 8,614.78 | 5,946.42 | -780.68 | 5,994.39 | 0.00 | 0.00 | 0.00 |
| 14,300.00 | 89.76 | 360.00 | 8,615.20 | 6,046.42 | -780.69 | 6,093.90 | 0.00 | 0.00 | 0.00 |
| 14,400.00 | 89.76 | 360.00 | 8,615.61 | 6,146.42 | -780.70 | 6,193.42 | 0.00 | 0.00 | 0.00 |
| 14,500.00 | 89.76 | 360.00 | 8,616.02 | 6,246.42 | -780.70 | 6,292.93 | 0.00 | 0.00 | 0.00 |
| 14,600.00 | 89.76 | 360.00 | 8,616.43 | 6,346.42 | -780.71 | 6,392.45 | 0.00 | 0.00 | 0.00 |
| 14,700.00 | 89.76 | 360.00 | 8,616.85 | 6,446.42 | -780.72 | 6,491.96 | 0.00 | 0.00 | 0.00 |
| 14,800.00 | 89.76 | 360.00 | 8,617.27 | 6,546.42 | -780.73 | 6,591.48 | 0.00 | 0.00 | 0.00 |
| 14,900.00 | 89.76 | 360.00 | 8,617.68 | 6,646.42 | -780.74 | 6,690.99 | 0.00 | 0.00 | 0.00 |
| 15,000.00 | 89.76 | 360.00 | 8,618.10 | 6,746.42 | -780.75 | 6,790.50 | 0.00 | 0.00 | 0.00 |
| 15,100.00 | 89.76 | 360.00 | 8,618.52 | 6,846.42 | -780.76 | 6,890.02 | 0.00 | 0.00 | 0.00 |
| 15,200.00 | 89.76 | 360.00 | 8,618.94 | 6,946.42 | -780.76 | 6,989.53 | 0.00 | 0.00 | 0.00 |
| 15,300.00 | 89.76 | 360.00 | 8,619.37 | 7,046.41 | -780.77 | 7,089.05 | 0.00 | 0.00 | 0.00 |
| 15,400.00 | 89.76 | 360.00 | 8,619.79 | 7,146.41 | -780.78 | 7,188.56 | 0.00 | 0.00 | 0.00 |
| 15,500.00 | 89.76 | 360.00 | 8,620.22 | 7,246.41 | -780.79 | 7,288.08 | 0.00 | 0.00 | 0.00 |
| 15,600.00 | 89.76 | 360.00 | 8,620.64 | 7,346.41 | -780.80 | 7,387.59 | 0.00 | 0.00 | 0.00 |
| 15,700.00 | 89.75 | 360.00 | 8,621.07 | 7,446.41 | -780.81 | 7,487.11 | 0.00 | 0.00 | 0.00 |

Oxy

Planning Report

Database: HOPSPP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CEDAR CANYON 20 FED COM
Well: CEDAR CANYON 20 FED COM 24H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CEDAR CANYON 20 FED COM 24H
TVD Reference: DATUM @ 2981.30ft
MD Reference: DATUM @ 2981.30ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 15,800.00 | 89.75 | 360.00 | 8,621.50 | 7,546.41 | -780.81 | 7,586.62 | 0.00 | 0.00 | 0.00 |
| 15,900.00 | 89.75 | 360.00 | 8,621.93 | 7,646.41 | -780.82 | 7,686.13 | 0.00 | 0.00 | 0.00 |
| 16,000.00 | 89.75 | 360.00 | 8,622.36 | 7,746.41 | -780.83 | 7,785.65 | 0.00 | 0.00 | 0.00 |
| 16,100.00 | 89.75 | 360.00 | 8,622.79 | 7,846.41 | -780.84 | 7,885.16 | 0.00 | 0.00 | 0.00 |
| 16,148.77 | 89.75 | 360.00 | 8,623.00 | 7,895.18 | -780.84 | 7,933.70 | 0.00 | 0.00 | 0.00 |

Design Targets

Target Name

| - hit/miss target - Shape | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
|--|---------------|--------------|----------|------------|------------|-----------------|----------------|---------------------|-------------------|
| CC_20_FED_COM_24 - plan hits target center - Point | 0.00 | 0.00 | 8,022.04 | 162.71 | -780.19 | 435,139.85 | 642,844.04 | 32° 11' 45.063565 N | 104° 0' 18.653766 |
| CC_20_FED_COM_24 - plan hits target center - Point | 0.00 | 0.00 | 8,623.00 | 7,895.18 | -780.84 | 442,871.69 | 642,843.39 | 32° 13' 1.577329 N | 104° 0' 18.386593 |

Plan Annotations

| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates | | Comment |
|---------------------|---------------------|-------------------|------------|--------------------------------|
| | | +N/-S (ft) | +E/-W (ft) | |
| 3,000.00 | 3,000.00 | 0.00 | 0.00 | STEP OUT DLS 2.00 |
| 3,499.89 | 3,497.36 | 8.88 | -42.59 | HOLD 10 DEG TANGENT |
| 7,589.32 | 7,524.68 | 153.83 | -737.61 | DROP BACK TO VERTICAL DLS 2.00 |
| 8,089.21 | 8,022.04 | 162.71 | -780.19 | BUILD CURVE 10 DEG / 100 |
| 8,987.21 | 8,595.00 | 733.67 | -780.24 | LANDING POINT |
| 16,148.77 | 8,623.00 | 7,895.18 | -780.84 | TD at 16148.77 |



Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CEDAR CANYON 20 FED COM
Well: CEDAR CANYON 20 FED COM 24H
Wellbore: WH00
Design: Permitting Plan

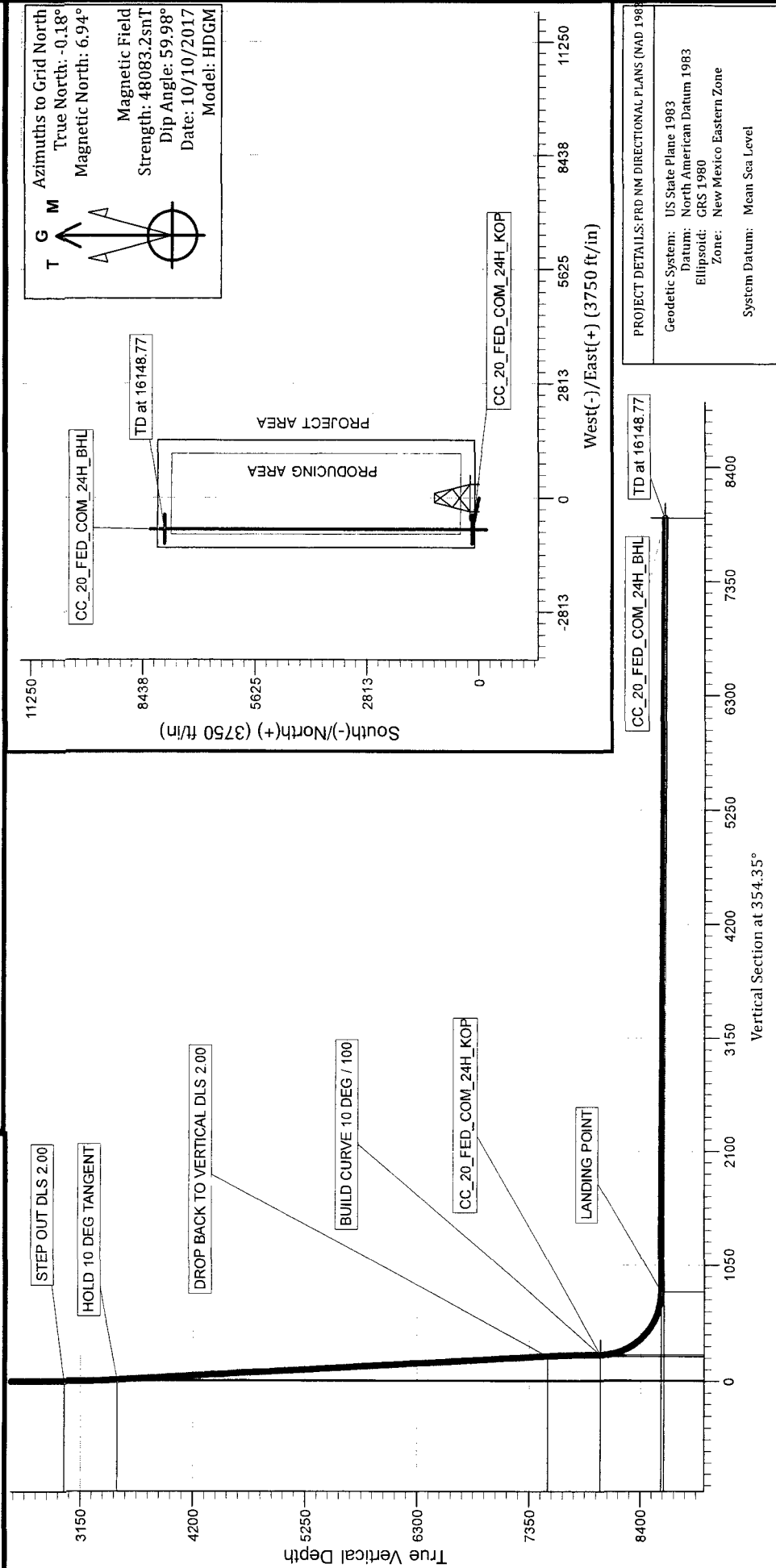
WELL DETAILS: CEDAR CANYON 20 FED COM 24H

Ground Level: +N/-S +E/-W
0.00 0.00

2954.80
Eastings
643624.17 32° 11' 43.429845 N 104° 0' 9.580464 W
DATUM @ 2981.30ft

Northings
434977.15

Longitude



SECTION DETAILS

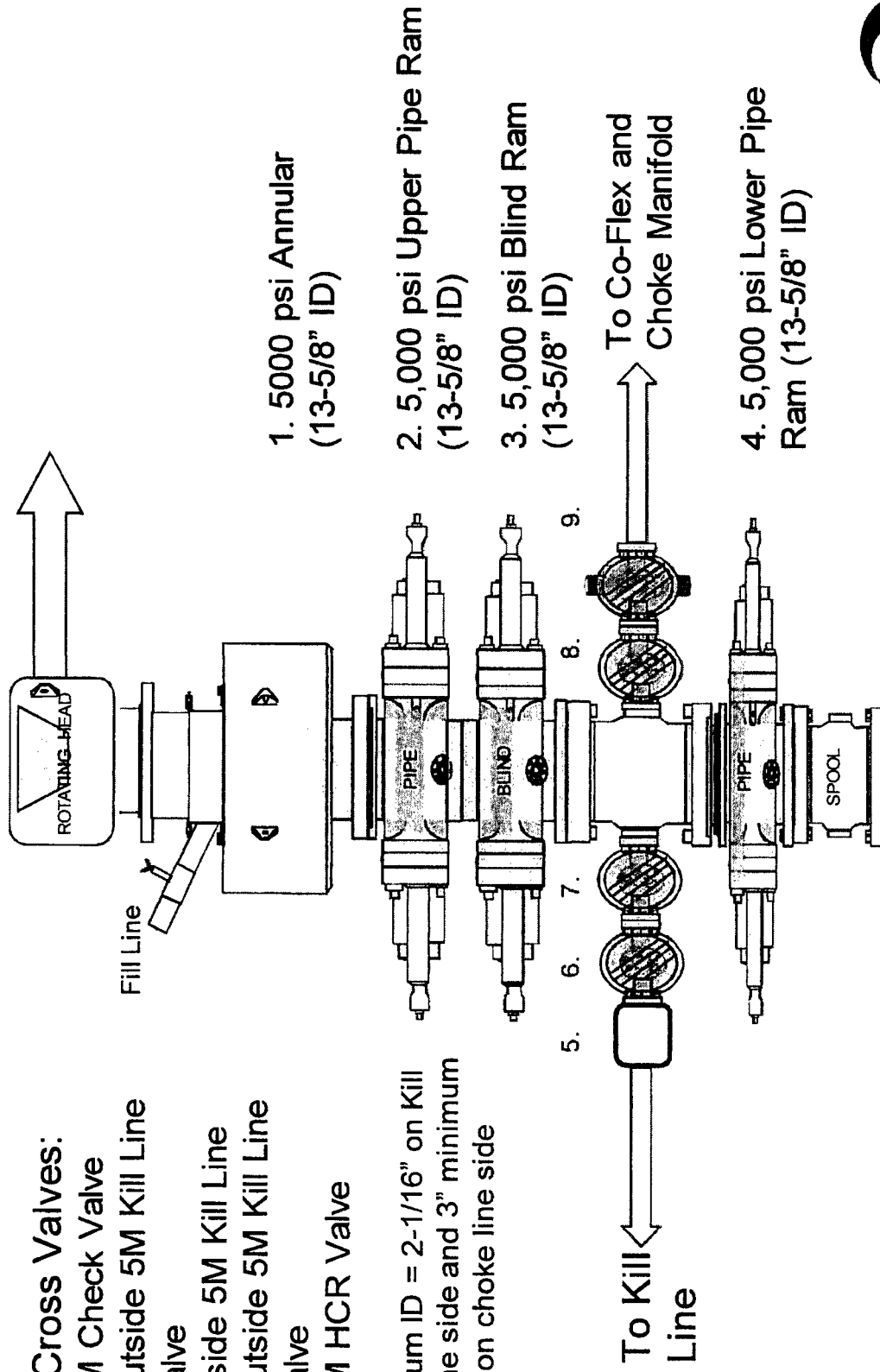
| Sec | MD | Inc | Azi | TVD | +N/-S | +E/-W | Dleg | TFace | Vsect | Target | Annotation |
|-----|----------|-------|--------|---------|---------|---------|-------|---------|---------|-----------------------|--------------------------------|
| 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | STEP OUT DLS 2.00 |
| 2 | 3000.00 | 0.00 | 0.00 | 3000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | HOLD 10 DEG TANGENT |
| 3 | 3499.89 | 10.00 | 281.78 | 3497.36 | 8.88 | -42.59 | 2.00 | 281.78 | 13.03 | | DROP BACK TO VERTICAL DLS 2.00 |
| 4 | 7589.32 | 10.00 | 281.78 | 7524.68 | 153.83 | -737.61 | 0.00 | 0.00 | 225.68 | | BUILD CURVE 10 DEG / 100 |
| 5 | 8089.21 | 0.00 | 0.00 | 8022.04 | 162.71 | -780.19 | 2.00 | 180.00 | 238.71 | CC_20_FED_COM_24H_KOP | LANDING POINT |
| 6 | 8987.21 | 89.80 | 0.00 | 8595.00 | 733.67 | -780.19 | 10.00 | 0.00 | 806.90 | | TD at 16148.77 |
| 7 | 16148.77 | 89.75 | 359.99 | 8623.00 | 7895.18 | -780.84 | 0.00 | -167.34 | 7933.70 | CC_20_FED_COM_24H_BHL | |

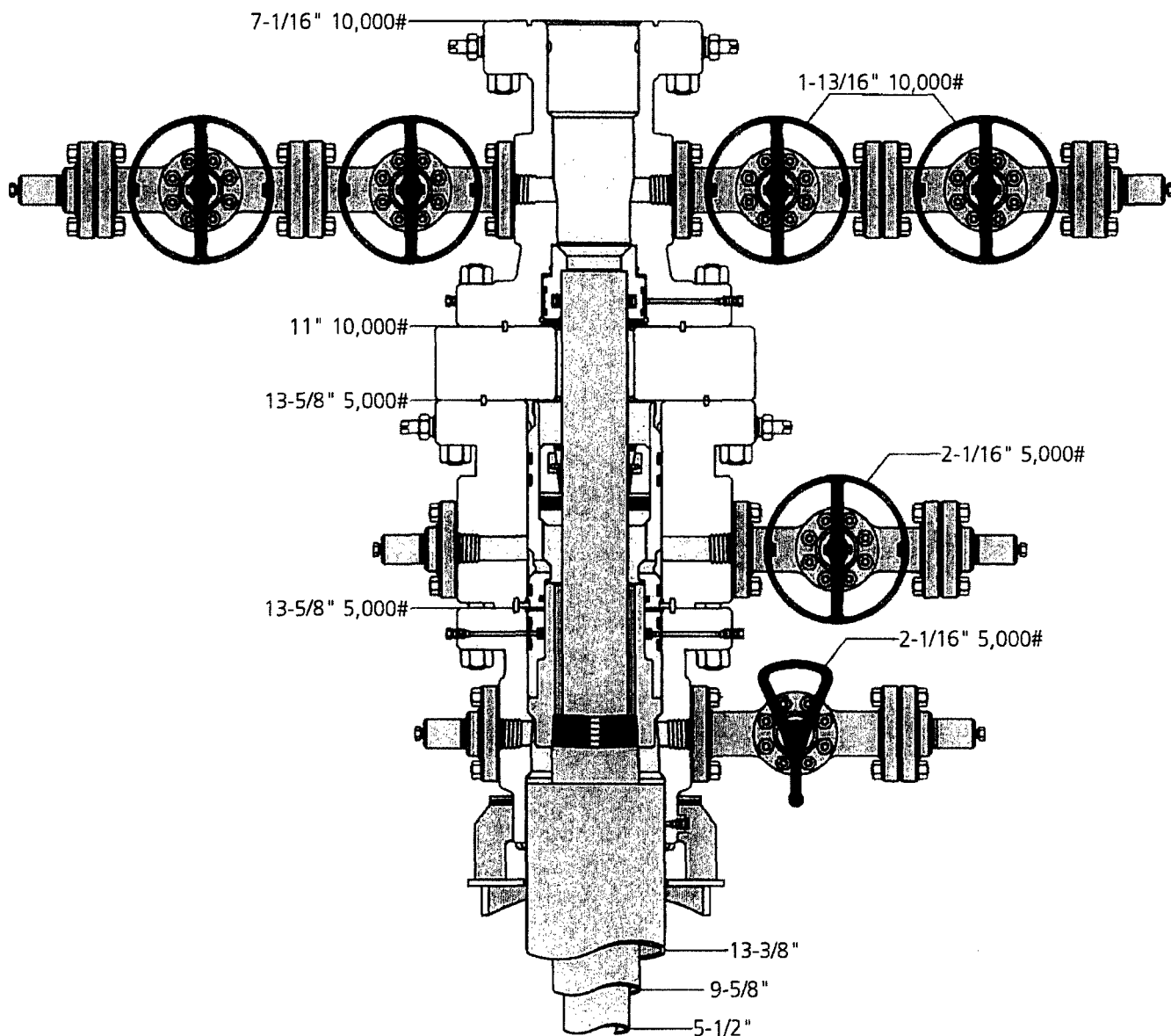
5M BOP Stack

Mud Cross Valves:

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

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

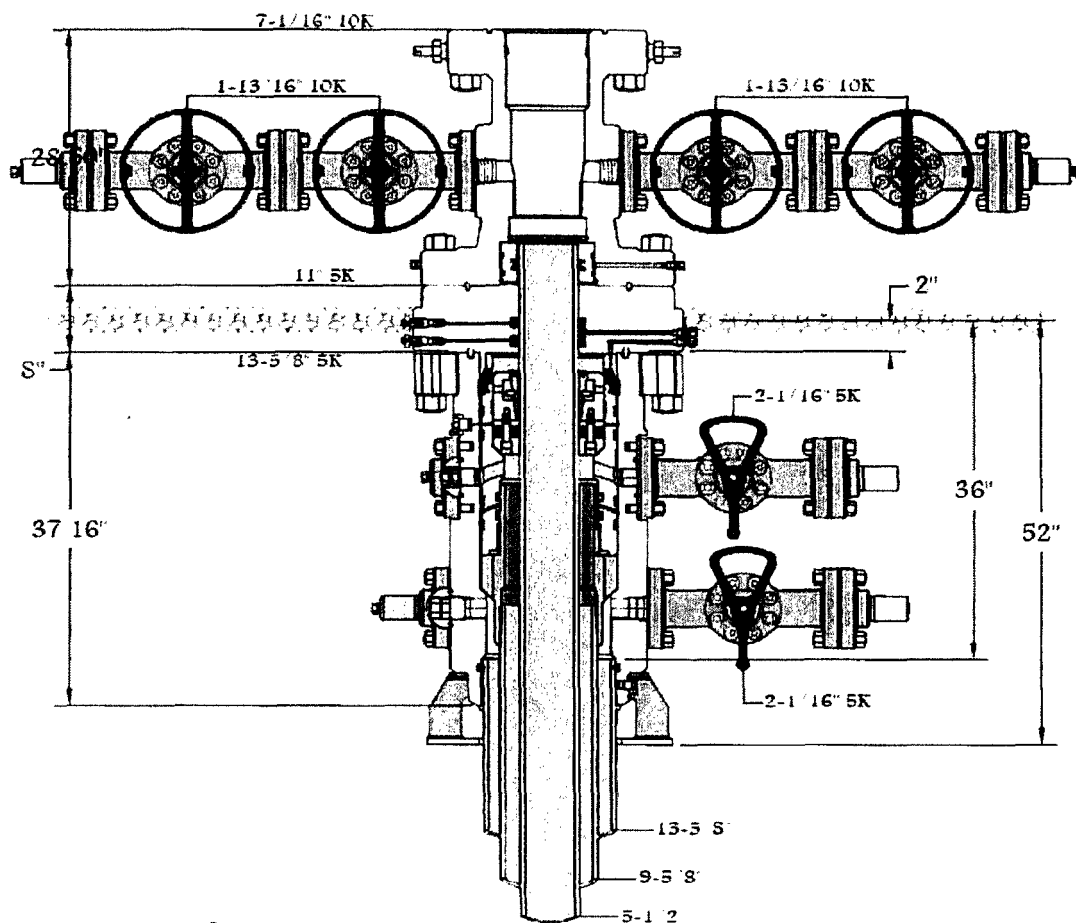




13" 5K MBS SL2 Wellhead



| | | | | | | |
|------|----------|------|---------|------------------|---|----------|
| Name | Jeanette | Date | 7-12-16 | Working Pressure | # | J-9786-4 |
|------|----------|------|---------|------------------|---|----------|



13-5' S' 5K MN-D5



| | | | |
|---------|---------|---|---------|
| Brandon | 5-10-17 | # | 1505172 |
|---------|---------|---|---------|

PERFORMANCE DATA

TMK UP DQX
Technical Data Sheet

5.500 in

20.00 lbs/ft

P-110

Tubular Parameters

| | | | | | |
|---------------------|-------|-----------------|------------------------------|---------|-----|
| Size | 5.500 | in | Minimum Yield | 110,000 | psi |
| Nominal Weight | 20.00 | lbs/ft | Minimum Tensile | 125,000 | psi |
| Grade | P-110 | | Yield Load | 641,000 | lbs |
| PE Weight | 19.81 | lbs/ft | Tensile Load | 729,000 | lbs |
| Wall Thickness | 0.361 | in | Min. Internal Yield Pressure | 12,600 | psi |
| Nominal ID | 4.778 | in | Collapse Pressure | 11,100 | psi |
| Drift Diameter | 4.653 | in | | | |
| Nom. Pipe Body Area | 5.828 | in ² | | | |

Connection Parameters

| | | |
|------------------------------|---------|-----------------|
| Connection OD | 6.050 | in |
| Connection ID | 4.778 | in |
| Make-Up Loss | 4.122 | in |
| Critical Section Area | 5.828 | in ² |
| Tension Efficiency | 100.0 | % |
| Compression Efficiency | 100.0 | % |
| Yield Load In Tension | 641,000 | lbs |
| Min. Internal Yield Pressure | 12,600 | psi |
| Collapse Pressure | 11 100 | psi |

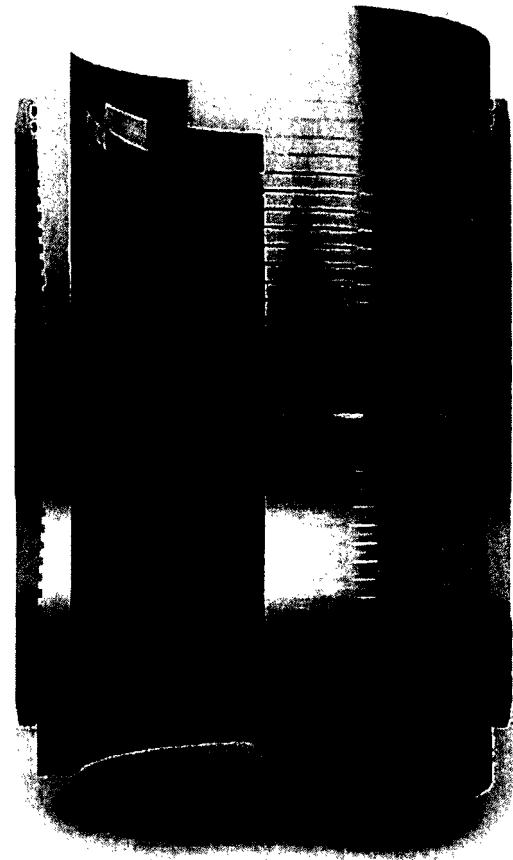
Make-Up Torques

| | | |
|---------------------|--------|--------|
| Min. Make-Up Torque | 11,600 | ft-lbs |
| Opt. Make-Up Torque | 12,900 | ft-lbs |
| Max. Make-Up Torque | 14,100 | ft-lbs |
| Yield Torque | 20,600 | ft-lbs |

Printed on: July-29-2014

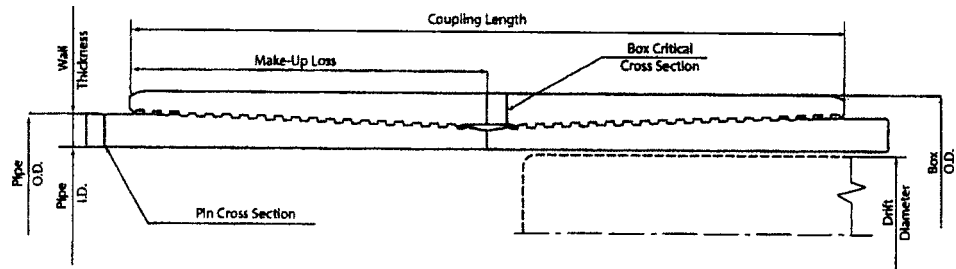
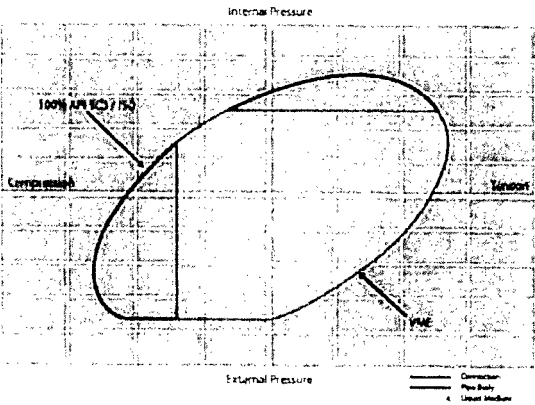
NOTE:

The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. Information that is printed or downloaded is no longer controlled by TMK IPSCO and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest TMK IPSCO technical information, please contact TMK IPSCO Technical Sales toll-free at 1-888-258-2000.



TECHNICAL DATA SHEET TMK UP DQX 5.5 X 20 P110

| TUBULAR PARAMETERS | | PIPE BODY PROPERTIES | |
|--------------------------------------|----------|-------------------------------------|--------|
| Nominal OD, (inch) | 5.500 | PE Weight, (lbs/ft) | 19.81 |
| Wall Thickness, (inch) | 0.361 | Nominal Weight, (lbs/ft) | 20.00 |
| Pipe Grade | P110 | Nominal ID, (inch) | 4.778 |
| Coupling | Regular | Drift Diameter, (inch) | 4.653 |
| Coupling Grade | P110 | Nominal Pipe Body Area, (sq inch) | 5.828 |
| Drift | Standard | Yield Strength In Tension, (kbs) | 641 |
| | | Min. Internal Yield Pressure, (psi) | 12 640 |
| | | Collapse Pressure, (psi) | 11 110 |
| CONNECTION PARAMETERS | | | |
| Connection OD (inch) | 6.05 | | |
| Connection ID, (inch) | 4.778 | | |
| Make-Up Loss, (inch) | 4.122 | | |
| Connection Critical Area, (sq inch) | 5.828 | | |
| Yield Strength In Tension, (kbs) | 641 | | |
| Yield Strength In Compression, (kbs) | 641 | | |
| Tension Efficiency | 100% | | |
| Compression Efficiency | 100% | | |
| Min. Internal Yield Pressure, (psi) | 12 640 | | |
| Collapse Pressure, (psi) | 11 110 | | |
| Uniaxial Bending (deg/100ft) | 91.7 | | |
| MAKE-UP TORQUES | | | |
| Yield Torque, (ft-lb) | 20 600 | | |
| Minimum Make-Up Torque, (ft-lb) | 11 600 | | |
| Optimum Make-Up Torque, (ft-lb) | 12 900 | | |
| Maximum Make-Up Torque, (ft-lb) | 14 100 | | |



NOTE: The content of this Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. This information supersedes all prior versions for this connection. Information that is printed or downloaded is no longer controlled by TMK and may not be

PECOS DISTRICT

DRILLING CONDITIONS OF APPROVAL

| | |
|------------------------------|--|
| OPERATOR'S NAME: | OXY USA INCORPORATED |
| LEASE NO.: | NMNM94651 |
| WELL NAME & NO.: | CEDAR CANYON 20 FEDERAL COM 24H |
| SURFACE HOLE FOOTAGE: | 110' FNL & 1420' FEL |
| BOTTOM HOLE FOOTAGE | 2473' FSL & 2200' FEL |
| LOCATION: | Section 29, T. 24 S., R 29 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

COA

All pervious COAs still apply expect the following:

| | | | |
|----------------------|--|--|-------------------------------|
| H2S | <input type="radio"/> Yes | <input checked="" type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input checked="" type="radio"/> Low | <input type="radio"/> Medium | <input type="radio"/> High |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input checked="" type="radio"/> Multibowl | <input type="radio"/> Both |
| Other | <input type="checkbox"/> 4 String Area | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |

A. Hydrogen Sulfide

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **400** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).

- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.
- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job. **Additional cement maybe required. Excess calculated to 21%.**
 - b. Second stage above DV tool: Cement to surface. If cement does not circulate, contact the appropriate BLM office.
3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
- Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. **Additional cement maybe required. Excess calculated to 19%.**

C. PRESSURE CONTROL

- 1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.

GENERAL REQUIREMENTS

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

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

☒ Chaves and Roosevelt Counties
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 627-0272.
After office hours call (575)

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

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

1. 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.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as

well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a

larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

- a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. 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.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

ZS 032118

High Cave Karst: two casing strings, both to circulate cement to surface.

| 13 3/8 | surface csg in a | 17 1/2 | inch hole. | Design Factors | | | SURFACE | |
|--|------------------|---------|------------|----------------|--------------|----------|---------|--------|
| Segment | #/ft | Grade | Coupling | Body | Collapse | Burst | Length | Weight |
| "A" | 54.50 | J 55 | BUTT | 39.14 | 6.32 | 0.66 | 400 | 21,800 |
| "B" | | | | | | | 0 | 0 |
| w/8.4#/g mud, 30min Sfc Csg Test psig: 1,500 | | | Tail Cmt | does | circ to sfc. | Totals: | 400 | 21,800 |
| <u>Comparison of Proposed to Minimum Required Cement Volumes</u> | | | | | | | | |
| Hole | Annular | 1 Stage | 1 Stage | Min | 1 Stage | Drilling | Calc | Req'd |
| Size | Volume | Cmt Sx | CuFt Cmt | Cu Ft | % Excess | Mud Wt | MASP | BOPE |
| 17 1/2 | 0.6946 | 332 | 558 | 332 | 68 | 8.60 | 2393 | 3M |
| Class 'C' tail cmt yield above 1.35. | | | | | | | | |

Class 'C' tail cmt yield above 1.35.

Burst Frac Gradient(s) for Segment(s) A, B = , b All > 0.70, OK.

| 9 5/8 | casing inside the | 13 3/8 | Design Factors | | | | INTERMEDIATE | | |
|---|-------------------|---------|----------------|-------|----------------------|-----------|--------------|----------|-----------|
| Segment | #/ft | Grade | Coupling | Body | Collapse | Burst | Length | Weight | |
| "A" | 43.50 | HCL 80 | BUTT | 2.88 | 1.44 | 1.47 | 7,500 | 326,250 | |
| "B" | 47.00 | HCL 80 | BUTT | 47.24 | 1.71 | 1.6 | 489 | 22,983 | |
| w/8.4#/g mud, 30min Sfc Csg Test psig: | | | | | | Totals: | 7,989 | 349,233 | |
| The cement volume(s) are intended to achieve a top of | | | | 0 | ft from surface or a | | 400 | overlap. | |
| Hole | Annular | 1 Stage | 1 Stage | Min | 1 Stage | Drilling | Calc | Req'd | Min Dist |
| Size | Volume | Cmt Sx | CuFt Cmt | Cu Ft | % Excess | Mud Wt | MASP | BOPE | Hole-Cplg |
| 12 1/4 | 0.3132 | look v | 0 | 2540 | | 10.00 | 2403 | 3M | 0.81 |
| D V Tool(s): | | | 2930 | | | sum of sx | Σ CuFt | Σ%excess | |
| t by stage % : | | 21 | 66 | | | 1622 | 3497 | 38 | |
| Class 'H' tail cmt yld > 1.20 | | | | | | | | | |

Class 'H' tail cmt yld > 1.20

| | | | | | | | | | | |
|---|-------------------|---------|----------|--------|----------------------|---------------------------------|-----------|----------|------------|--|
| Tail cmt | | | | | Design Factors | | | | PRODUCTION | |
| 5 1/2 | casing inside the | 9 5/8 | - | | | | | | | |
| Segment | #/ft | Grade | Coupling | Joint | Collapse | Burst | Length | Weight | | |
| "A" | 20.00 | P 110 | DQX | 3.72 | 2.75 | 2.93 | 8,089 | 161,783 | | |
| "B" | 20.00 | P 110 | DQX | 8.01 | 2.28 | 2.93 | 8,060 | 161,197 | | |
| w/8.4#/g mud, 30min Sfc Csg Test psig: 1,780 | | | | | | Totals: | | 16,149 | 322,980 | |
| B | would be: | | | 60.04 | 2.58 | if it were a vertical wellbore. | | | | |
| | | MTD | Max VTD | Csg VD | Curve KOP | Dogleg° | Severity° | MEOC | | |
| | | 16149 | 8623 | 8623 | 8089 | 90 | 10 | 8987 | | |
| The cement volume(s) are intended to achieve a top of | | | | 7789 | ft from surface or a | | 200 | overlap. | | |
| Hole | Annular | 1 Stage | 1 Stage | Min | 1 Stage | Drilling | Calc | Req'd | Min Dist | |
| Size | Volume | Cmt Sx | CuFt Cmt | Cu Ft | % Excess | Mud Wt | MASP | BOPE | Hole-Cplg | |
| 8 1/2 | 0.2291 | 1406 | 2292 | 1925 | 19 | 9.60 | | | 1.23 | |

Class 'H' tail cmt yld > 1.20