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DISTRICT II-ARTESIA O.C.D.

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Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM021640

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☑ Multiple Zone

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

8. Lease Name and Well No.
PRECIOUS 30-18 FEDERAL COM
46H
326187

2. Name of Operator
OXY USA INCORPORATED

9. API Well No.
30-015-46524

3a. Address	3b. Phone No. *(include area code)*	10. Field and Pool, or Exploratory
5 Greenway Plaza, Suite 110 Houston TX 77046	(713)366-5716	WILDCAT WOLFCAMP / WOLFCAMP

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface NENE / 520 FNL / 1295 FEL / LAT 32.266749 / LONG -103.812544

At proposed prod. zone NESE / 2625 FSL / 440 FEL / LAT 32.304416 / LONG -103.809811

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 31 / T23S / R31E / NMP

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State
8 miles	EDDY	NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
20 feet	323.59	800

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
35 feet	12495 feet / 25856 feet	FED: ESB000226

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
3349 feet	01/01/2020	20 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

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

25. Signature	Name *(Printed/Typed)*	Date
(Electronic Submission)	Sarah Chapman / Ph: (713)350-4997	02/22/2019

Title
Regulatory Specialist

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
(Electronic Submission)	Christopher Walls / Ph: (575)234-2234	12/06/2019

Title	Office
Petroleum Engineer	CARLSBAD

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.

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.

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 12/06/2019

RMP 12-23-19

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

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Additional Operator Remarks

Location of Well

1. SHL: NENE / 520 FNL / 1295 FEL / TWSP: 23S / RANGE: 31E / SECTION: 31 / LAT: 32.266749 / LONG: -103.812544 (TVD: 0 feet, MD: 0 feet)
   PPP: SESE / 100 FSL / 440 FEL / TWSP: 23S / RANGE: 31E / SECTION: 30 / LAT: 32.268451 / LONG: -103.80978 (TVD: 12375 feet, MD: 12771 feet)
   PPP: SENE / 2639 FSL / 441 FEL / TWSP: 23S / RANGE: 31E / SECTION: 30 / LAT: 32.275431 / LONG: -103.809787 (TVD: 12396 feet, MD: 15250 feet)
   PPP: NESE / 1320 FSL / 440 FEL / TWSP: 23S / RANGE: 31E / SECTION: 19 / LAT: 32.286327 / LONG: -103.812676 (TVD: 12433 feet, MD: 19200 feet)
   PPP: NENE / 1312 FNL / 438 FEL / TWSP: 23S / RANGE: 31E / SECTION: 19 / LAT: 32.2953592 / LONG: -103.809803 (TVD: 12457 feet, MD: 21800 feet)
   PPP: SESE / 10 FSL / 437 FEL / TWSP: 23S / RANGE: 31E / SECTION: 18 / LAT: 32.297224 / LONG: -103.809806 (TVD: 12469 feet, MD: 23100 feet)
   BHL: NESE / 2625 FSL / 440 FEL / TWSP: 23S / RANGE: 31E / SECTION: 18 / LAT: 32.304416 / LONG: -103.809811 (TVD: 12495 feet, MD: 25856 feet)

BLM Point of Contact

Name: Deborah Ham
Title: Legal Landlaw Examiner
Phone: 5752345965
Email: dham@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Oxy USA Incorporated
LEASE NO.:	NMNM021640
WELL NAME & NO.:	Precious 30-18 Federal Com 46H
SURFACE HOLE FOOTAGE:	520'/N & 500'/E
BOTTOM HOLE FOOTAGE	2626'/S & 440'/E
LOCATION:	Section 31, T.23 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico

COA

H2S	○ Yes	○ No	
Potash	○ None	○ Secretary	◉ R-111-P
Cave/Karst Potential	◉ Low	○ Medium	○ High
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	○ Multibowl	◉ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☑ Fluid Filled	☑ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	☐ Unit

Break Testing	○ Yes	◉ No

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

Primary Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **400** feet (a minimum of **70 feet (Eddy County)** 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 **24 hours in the Potash Area** 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 **9-5/8** inch intermediate casing shall be set at approximately **4050** feet. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

Option 2:

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.

b. Second stage above DV tool:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.
  Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

2nd Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

3. The minimum required fill of cement behind the **7-5/8** inch 2nd intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above.

Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

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.

c. 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.

d. Second stage above DV tool:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.
  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 to pump down 9-5/8" X 7-5/8" annulus. Operator must run a CBL/ ECHOMETER from TD of the 7-5/8" casing to surface. Submit results to BLM. Excess calculates to 8% - additional cement might be required.

4. The minimum required fill of cement behind the **5-1/2** inch production casing is:

- Cement should tie-back **500 feet** into the previous casing. Operator shall provide method of verification. **Excess calculates to 20% - additional cement might be required.**

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.

Option 1:

a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.

b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000 (5M)** psi.

c. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 2nd intermediate casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

    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.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.

- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

Offline Cementing

Contact the BLM prior to the commencement of any offline cementing procedure.

BOP Break Testing Variance

- BOP break testing is not permitted on this well pending submittion of break testing sundry.

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)

☒ 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 intergrity 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 intergrity 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: 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
    e. 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.

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 not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

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. The results of the test shall be reported to the appropriate BLM office.

f. 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.

g. 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 if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

h. 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.

NMK11282019

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INCORPORATED
WELL NAME & NO.:	PRECIOUS 30-18 FEDERAL COM 46H
SURFACE HOLE FOOTAGE:	520'/N & 500'/E
BOTTOM HOLE FOOTAGE	2626'/S & 440'/E
LOCATION:	Section 31, T.23 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

Timing Limitation Exceptions:
The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Cattleguards
Where a permanent cattlegaurd is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

Fence Requirement
Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement
Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action

Potash Minerals
Measures to minimize impacts to potash mineral reserves have been considered during the BLM's planning process by establishment of the Twin Wells Drill Island. No additional special mitigation or requirements have been identified by the BLM.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching
Ditching shall be required on both sides of the road.

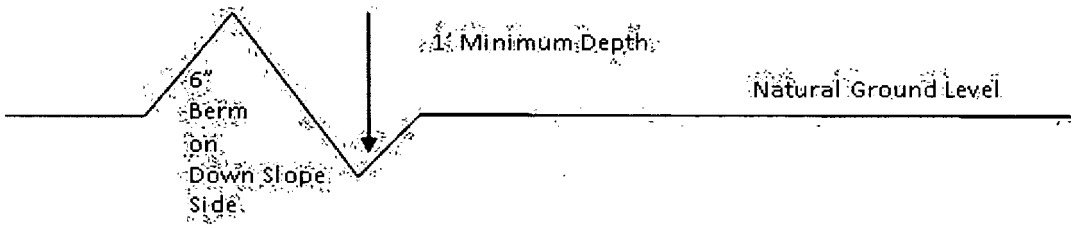
Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\frac{400'}{4\%} + 100' = 200'$ lead-off ditch interval

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

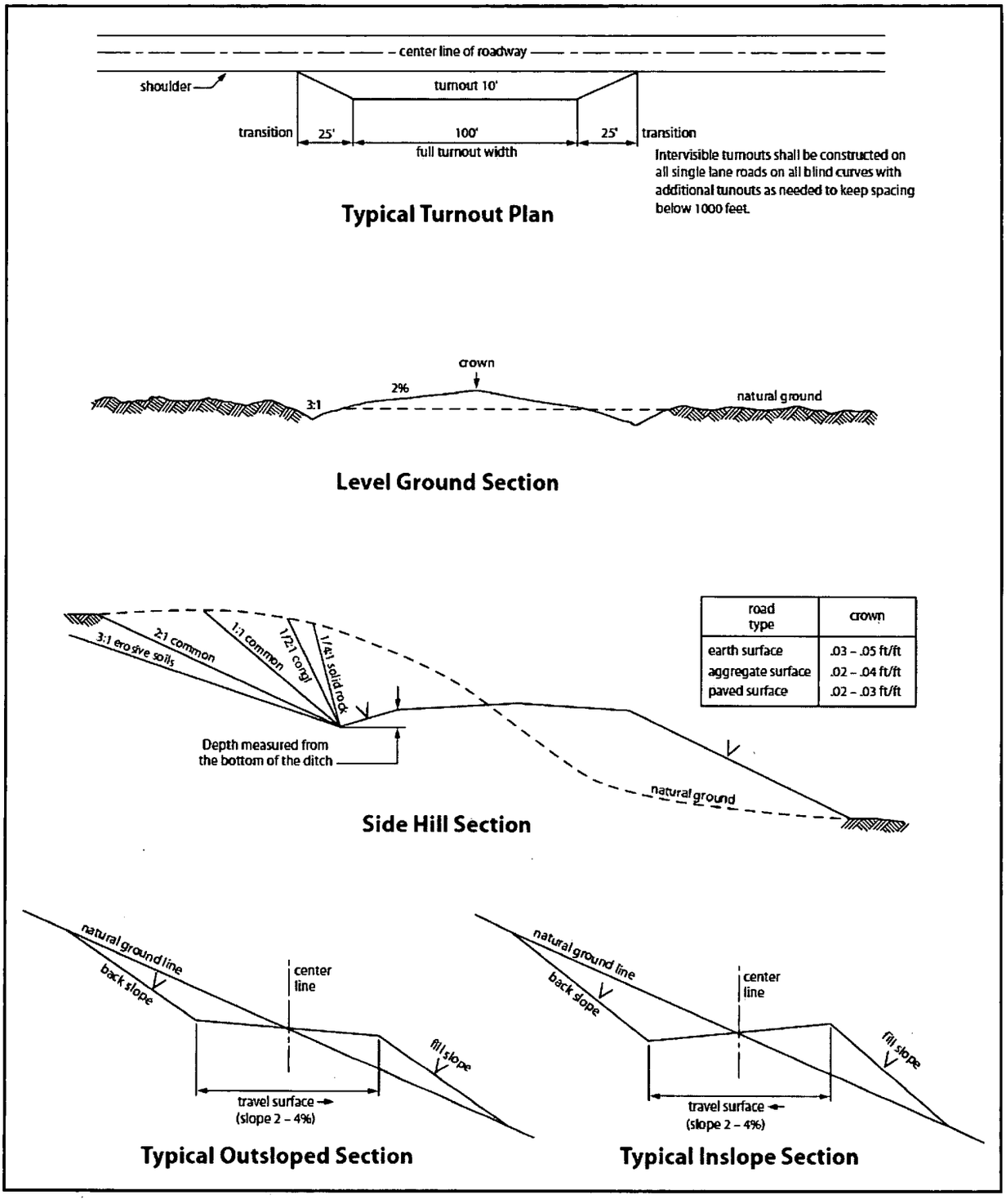


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be **30** feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)

- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed **30** feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)

- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix:

( ) seed mixture 1	( ) seed mixture 3
( ) seed mixture 2	( ) seed mixture 4
(X) seed mixture 2/LPC	( ) Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM

personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
b. Activities of other parties including, but not limited to:
    (1) Land clearing.
    (2) Earth-disturbing and earth-moving work.
    (3) Blasting.
    (4) Vandalism and sabotage.
c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars ($1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of **20** feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.

9. The pipeline shall be buried with a minimum of **24** inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When

necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

a. **Lesser Prairie-Chicken:** Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.

b. **Timing Limitation Exceptions:**
The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as

a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:
- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:
The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

D. OIL AND GAS RELATED SITES

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

A copy of the application (Grant/Sundry Notice) and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statues.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et. seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil of other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the

holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.

6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)

7. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.

8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).

10. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where

noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.
11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site and access roads must undergo "final" reclamation so that the character and productivity of the land are restored. Earthwork for final reclamation must be completed within six (6) months of the abandonment of the site. All pads and facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately ___6___ inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

13. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

( ) seed mixture 1	( ) seed mixture 3
( ) seed mixture 2	( ) seed mixture 4
(X) seed mixture 2/LPC	( ) Aplomado Falcon Mixture

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. Open-topped Tanks - The operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the

location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps

16. The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an

impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Exclosures – The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

18. Containment Structures - Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

19. Special Stipulations:

- The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be corrected within two weeks and proper measures will be taken to prevent future erosion.

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or

involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from permanent engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:
The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. Seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Operator Certification Data Report

12/09/2019

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Sarah Chapman **Signed on:** 02/06/2019

Title: Regulatory Specialist

Street Address:

City: **State:** **Zip:**

Phone: (713)350-4997

Email address: sarah_chapman@oxy.com

Field Representative

Representative Name:

Street Address: 6001 Deauville

City: Midland **State:** TX **Zip:** 79706

Phone: (575)631-2442

Email address: jim_wilson@oxy.com

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Application Data Report

12/09/2019

APD ID: 10400039412 **Submission Date:** 02/22/2019

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

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Section 1 - General

APD ID: 10400039412 **Tie to previous NOS?** **Submission Date:** 02/22/2019

BLM Office: CARLSBAD **User:** Sarah Chapman **Title:** Regulatory Specialist

Federal/Indian APD: FED **Is the first lease penetrated for production Federal or Indian?** FED

Lease number: NMNM021640 **Lease Acres:** 323.59

Surface access agreement in place? **Allotted?** **Reservation:**

Agreement in place? NO **Federal or Indian agreement:**

Agreement number:

Agreement name:

Keep application confidential? NO

Permitting Agent? NO **APD Operator:** OXY USA INCORPORATED

Operator letter of designation:

Operator Info

Operator Organization Name: OXY USA INCORPORATED

Operator Address: 5 Greenway Plaza, Suite 110

Zip: 77046

Operator PO Box:

Operator City: Houston **State:** TX

Operator Phone: (713)366-5716

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO **Master Development Plan name:**

Well in Master SUPO? NO **Master SUPO name:**

Well in Master Drilling Plan? NO **Master Drilling Plan name:**

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H **Well API Number:**

Field/Pool or Exploratory? Field and Pool **Field Name:** WILDCAT WOLFCAMP **Pool Name:** WOLFCAMP

Is the proposed well in an area containing other mineral resources? POTASH

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Is the proposed well in an area containing other mineral resources? POTASH

Is the proposed well in a Helium production area? N **Use Existing Well Pad?** NO **New surface disturbance?**

Type of Well Pad: MULTIPLE WELL **Multiple Well Pad Name:** PRECIOUS 30-18 FEDERAL COM **Number:** 5H

Well Class: HORIZONTAL **Number of Legs:**

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 8 Miles **Distance to nearest well:** 35 FT **Distance to lease line:** 20 FT

Reservoir well spacing assigned acres Measurement: 800 Acres

Well plat: Precious30_18FdCom46H_c_102Supplemental_20190828130952.pdf

Precious30_18FdCom46H_SitePlan_20190828130952.pdf

Well work start Date: 01/01/2020 **Duration:** 20 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

Survey number: **Reference Datum:**

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce
SHL Leg #1	520	FNL	1295	FEL	23S	31E	31	Aliquot NENE	32.266749	-103.812544	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 0546732A	3349	0	0	
KOP Leg #1	50	FSL	440	FEL	23S	31E	30	Aliquot SESE	32.268314	-103.80978	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 021640	-7853	11270	11202	

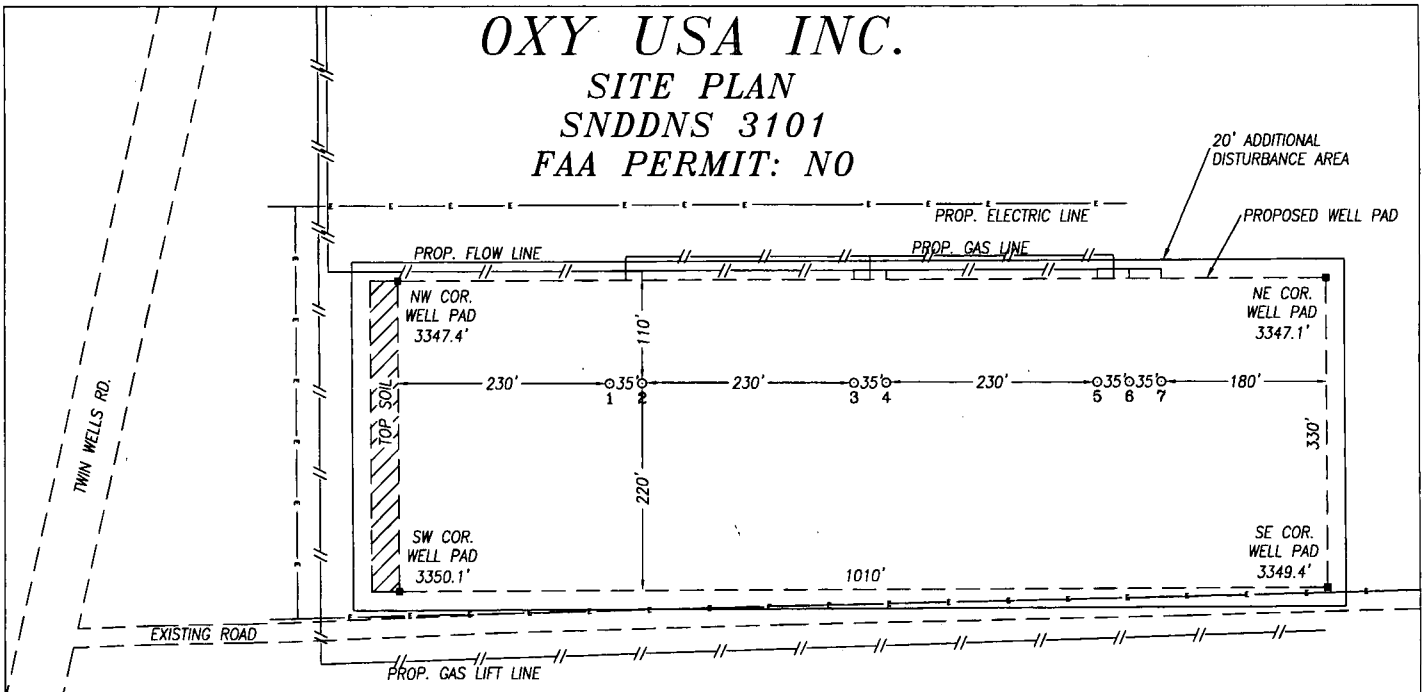
Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce
PPP Leg #1-1	10	FSL	437	FEL	23S	31E	18	Aliquot SESE	32.297224	-103.809806	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 0546237	-9120	23100	12469	
PPP Leg #1-2	1312	FNL	438	FEL	23S	31E	19	Aliquot NENE	32.2953592	-103.809803	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 017057	-9108	21800	12457	
PPP Leg #1-3	1320	FSL	440	FEL	23S	31E	19	Aliquot NESE	32.286327	-103.812676	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 021639	-9084	19200	12433	
PPP Leg #1-4	2639	FSL	441	FEL	23S	31E	30	Aliquot SENE	32.275431	-103.809787	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 0533177	-9047	15250	12396	
PPP Leg #1-5	100	FSL	440	FEL	23S	31E	30	Aliquot SESE	32.268451	-103.80978	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 021640	-9026	12771	12375	
EXIT Leg #1	2545	FSL	440	FEL	23S	31E	18	Aliquot NESE	32.304196	-103.809811	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 0546237	-9145	25776	12494	
BHL Leg #1	2625	FSL	440	FEL	23S	31E	18	Aliquot NESE	32.304416	-103.809811	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 0546237	-9146	25856	12495	

OXY USA INC.

SITE PLAN
SNDDNS 3101
FAA PERMIT: NO



NO.	WELL	FOOTAGE	LAT.	LONG.	ELEV.	ID#
1	PRECIOUS 30_18 FED COM #45H	520' FNL & 1330' FEL	32.266748° N	103.812657° W	3349.1'	IP-SMS-2426
2	PRECIOUS 30_18 FED COM #46H	520' FNL & 1295' FEL	32.266749° N	103.812544° W	3348.6'	IP-SMS-2427
3	PRECIOUS 30_18 FED COM #175H	520' FNL & 1065' FEL	32.266748° N	103.811800° W	3349.0'	N/A
4	PRECIOUS 30_18 FED COM #176H	520' FNL & 1030' FEL	32.266748° N	103.811687° W	3348.0'	N/A
5	PRECIOUS 30_18 FED COM #5H	520' FNL & 800' FEL	32.266748° N	103.810943° W	3346.9'	IP-SMS-2429
6	PRECIOUS 30_18 FED COM #6H	520' FNL & 765' FEL	32.266748° N	103.810829° W	3347.2'	IP-SMS-2430
7	PRECIOUS 30_18 FED COM #10H	520' FNL & 730' FEL	32.266748° N	103.810716° W	3347.0'	IP-SMS-2416

NORTH

NOTES:

1) LATS & LONGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.

2) DISTANCES ARE GRID VALUES.

3) ALL FEATURES ARE EXISTING UNLESS OTHERWISE NOTED

CERTIFICATION
I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

CHAD HARCROW NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR

Chad Harcrow — 7/27/19

CHAD HARCROW N.M.P.S. NO. 17777 — DATE

HARCROW SURVEYING, LLC
2316 W. MAIN ST, ARTESIA, N.M. 88210
PH: (575) 746-2158
c.harcrow@harcrowsurveying.com

200 0 200 400 Feet

Scale: 1"=200'

OXY USA INC.		
SURVEY DATE: JULY 10, 2019		SITE PLAN
DRAFTING DATE: JULY 24, 2019		PAGE: 1 OF 1
APPROVED BY: CH	DRAWN BY: WN	FILE: 19-1295

APD ID: 10400039412 **Submission Date:** 02/22/2019

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

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Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	RUSTLER	3347	383	383	ANHYDRITE,SHALE,DOLOMITE	USEABLE WATER	N
2	SALADO	2637	710	710	HALITE,ANHYDRITE,SHALE,DOLOMITE	OTHER : SALT	N
3	CASTILE	742	2605	2605	ANHYDRITE	OTHER : SALT	N
4	LAMAR	-736	4083	4083	LIMESTONE,SILTSTONE,SANDSTONE	OTHER,NATURAL GAS,OIL : BRINE	N
5	BELL CANYON	-774	4121	4121	SILTSTONE,SANDSTONE	USEABLE WATER,OTHER,NATURAL GAS,OIL : BRINE	N
6	CHERRY CANYON	-1656	5003	5003	SILTSTONE,SANDSTONE	OTHER,NATURAL GAS,OIL : BRINE	N
7	BRUSHY CANYON	-2936	6283	6283	LIMESTONE,SILTSTONE,SANDSTONE	OTHER,NATURAL GAS,OIL : BRINE	N
8	BONE SPRING	-4618	7965	7965	LIMESTONE,SILTSTONE,SANDSTONE	NATURAL GAS,OIL	N
9	BONE SPRING 1ST	-5651	8998	8998	LIMESTONE,SILTSTONE,SANDSTONE	NATURAL GAS,OIL	Y
10	BONE SPRING 2ND	-6292	9639	9639	LIMESTONE,SILTSTONE,SANDSTONE	NATURAL GAS,OIL	Y
11	BONE SPRING 3RD	-6783	10130	10130	LIMESTONE,SILTSTONE,SANDSTONE	NATURAL GAS,OIL	Y
12	WOLFCAMP	-8095	11442	11447	SILTSTONE,SANDSTONE	NATURAL GAS,OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M **Rating Depth:** 12495

Equipment: 13-5/8" 5/10M Annular, Blind Ram, Double Ram

Requesting Variance? YES

Variance request: Request for the use of a flexible choke line from the BOP to Choke Manifold.

Testing Procedure: 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. A multibowl wellhead 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 will be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. Per BLM's Memorandum No. NM-2017-008: Decision and Rationale for a Variance Allowing the Use of a 5M Annular Preventer with a 10M BOP Stack, Oxy requests to employ a 5M annular with a 10M BOPE stack in the pilot and lateral sections of the well and will ensure that two barriers to flow are maintained at all times. Please see attached Well Control Plan. BOP Break Testing Request - As per the agreement reached in the OXY/BLM meeting on Feb 22, 2018, OXY requests permission to allow BOP Break Testing under the following conditions: 1. After a full BOP test is conducted on the first well on the pad. 2. When skidding to drill an intermediate section that the casing setting depth is either shallower than the 3rd Bone Spring or 10000 TVD. 3. Full BOP test will be required prior to drilling any production section.

Choke Diagram Attachment:

Precious30_18FdCom46H_ChkManifold_20190221134504.pdf

BOP Diagram Attachment:

Precious30_18FdCom46H_BOP_20190221134514.pdf

Precious30_18FdCom46H_FlexHoseCert_20190221134521.pdf

Precious30_18FdCom46H_WellContolPlan_20190221134528.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	433	0	433			433	J-55	54.5	BUTT	1.125	1.2	BUOY	1.4	BUOY	1.4
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	4133	0	4133			4133	L-80	40	BUTT	1.125	1.2	BUOY	1.4	BUOY	1.4
3	INTERMEDIATE	8.5	7.625	NEW	API	N	0	11800	0	11786			11800	HCL-80	26.4	OTHER - SF/FJ	1.125	1.2	BUOY	1.4	BUOY	1.4
4	PRODUCTION	6.75	5.5	NEW	API	N	0	25856	0	12495			25856	P-110	20	OTHER - DQX/SFTORQ/DQWTORQ	1.125	1.2	BUOY	1.4	BUOY	1.4

Casing Attachments

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Precious30_18FdCom46H_CsgCriteria_20190221134618.pdf

Casing ID: 2 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Precious30_18FdCom46H_CsgCriteria_20190221134627.pdf

Casing ID: 3 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Precious30_18FdCom46H_7.625_26.4_HCL80_TMKUPFJ_20190221134709.pdf

Precious30_18FdCom46H_7.625_26.4_HCL80_TMKUPSF_20190221134715.pdf

Precious30_18FdCom46H_CsgCriteria_20190221134722.pdf

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Casing Attachments

Casing ID: 4 **String Type:** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Precious30_18FdCom46H_5.5_20_P110_DQX_20190221134758.pdf

Precious30_18FdCom46H_5.5_20_P110HC_TMKUPSFTORQ_20190221134803.pdf

Precious30_18FdCom46H_CsgCriteria_20190221134810.pdf

Precious30_18FdCom46H_5.5_20_P110CY_TMKUPDQWTORQ_20190828132012.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	433	464	1.33	14.8	617	100	Cl C	Accelerator
INTERMEDIATE	Lead		0	3633	884	1.88	12.9	1662	50	Pozzolan/C	Retarder
INTERMEDIATE	Tail		3633	4133	155	1.33	14.8	206	20	Cl C	Accelerator
INTERMEDIATE	Lead		0	6533	397	1.92	12.9	774	25	Cl C	Accelerator
INTERMEDIATE	Tail		6533	11876	342	1.65	13.2	564	5	Cl H	Retarder, Dispersant, Salt
PRODUCTION	Lead		11376	25856	1060	1.38	13.2	1463	20	Cl H	Retarder, Dispersant, Salt

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements. 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.

Describe the mud monitoring system utilized: PVT/MD Totco/Visual Monitoring

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
11876	25856	OTHER : Water-Based and/or Oil-Based Mud	9.5	13							
433	4133	OTHER : Saturated Brine Based Mud	9.8	10							
4133	11876	OTHER : Water-Based and/or Oil-Based Mud	8	9.6							
0	433	WATER-BASED MUD	8.6	8.8							

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

GR from TD to surface (horizontal well – vertical portion of hole). Mud Log from intermediate shoe to TD.

List of open and cased hole logs run in the well:

GR,MUDLOG

Coring operation description for the well:

No coring is planned at this time.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 8772 **Anticipated Surface Pressure:** 6023.1

Anticipated Bottom Hole Temperature(F): 180

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Precious30_18Fdcom46H_H2S1_20190221135418.pdf

Precious30_18FdCom46H_H2S2_20190221135425.pdf

Precious30_18FdCom46H_EmergencyContacts_20190221135435.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Precious30_18FdCom46H_DirectPlan_20190828132248.pdf

Precious30_18FdCom46H_DirectPlot_20190828132249.pdf

Other proposed operations facets description:

OXY respectfully requests a variance to cement the 9-5/8" and/or 7-5/8" intermediate casing strings offline, see attached for additional information.

*The 3rd Bone Spring Geologic Formation Top that was provided was the 3rd Bone Spring Lime Formation Top as required by the Potash operator's agreement. The only selection under Section 1 Geologic Formations was the Bone Spring 3rd.

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 will be run in case a contingency second stage is required for cement to reach surface. If cement circulated to surface during first stage we will drop a cancelation cone and not pump the second stage.

OXY requests the option to run production casing with DQX, SF TORQ, and/or DQW TORQ connections to

accommodate hole conditions or drilling operations.

OXY requests to pump a two stage cement job on the intermediate II casing string with the first stage being pumped conventionally with the calculated TOC @ the Bone Spring and the second stage performed as a bradenhead squeeze with planned cement from the Bone Spring to surface.

Annular Clearance Variance Request - As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:
1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

Well will be drilled with a walking/skidding operation. Plan to drill the multiple 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.

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.

Other proposed operations facets attachment:

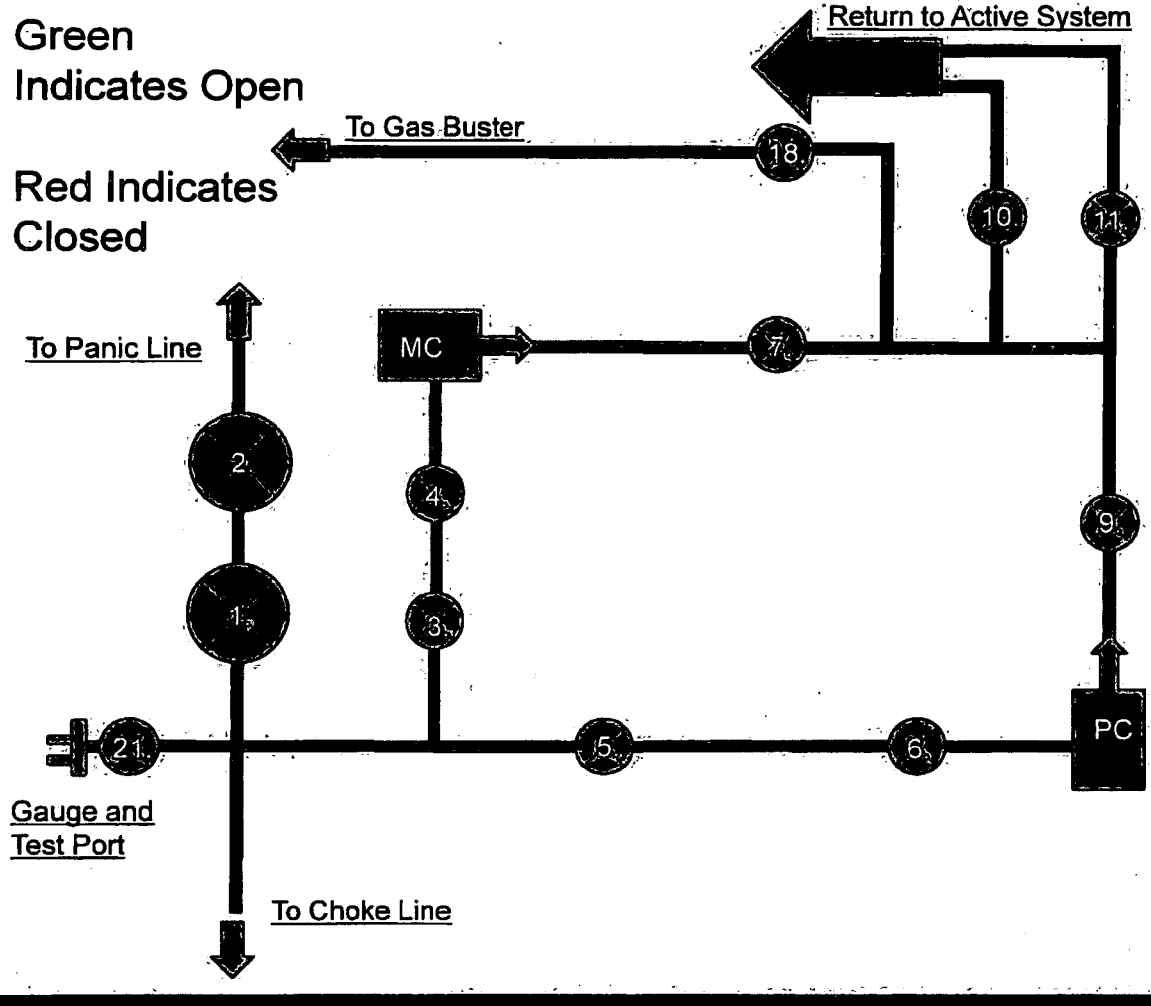
Precious30_18FdCom46H_GasCapPlan_20190221135524.pdf
Precious30_18FdCom46H_FlexHoseCert_20190221135532.pdf
Precious30_18FdCom46H_DrillPlan_20190828132347.pdf

Other Variance attachment:

5M Choke Panel

Green
Indicates Open

Red Indicates
Closed



1. 4" Choke Manifold Valve
2. 4" Choke Manifold Valve
3. 3" Choke Manifold Valve
4. 3" Choke Manifold Valve
5. 3" Choke Manifold Valve
6. 3" Choke Manifold Valve
7. 3" Choke Manifold Valve
8. PC – Power Choke
9. 3" Choke Manifold Valve
10. 3" Choke Manifold Valve
11. Choke Manifold Valve
12. MC – Manual Choke

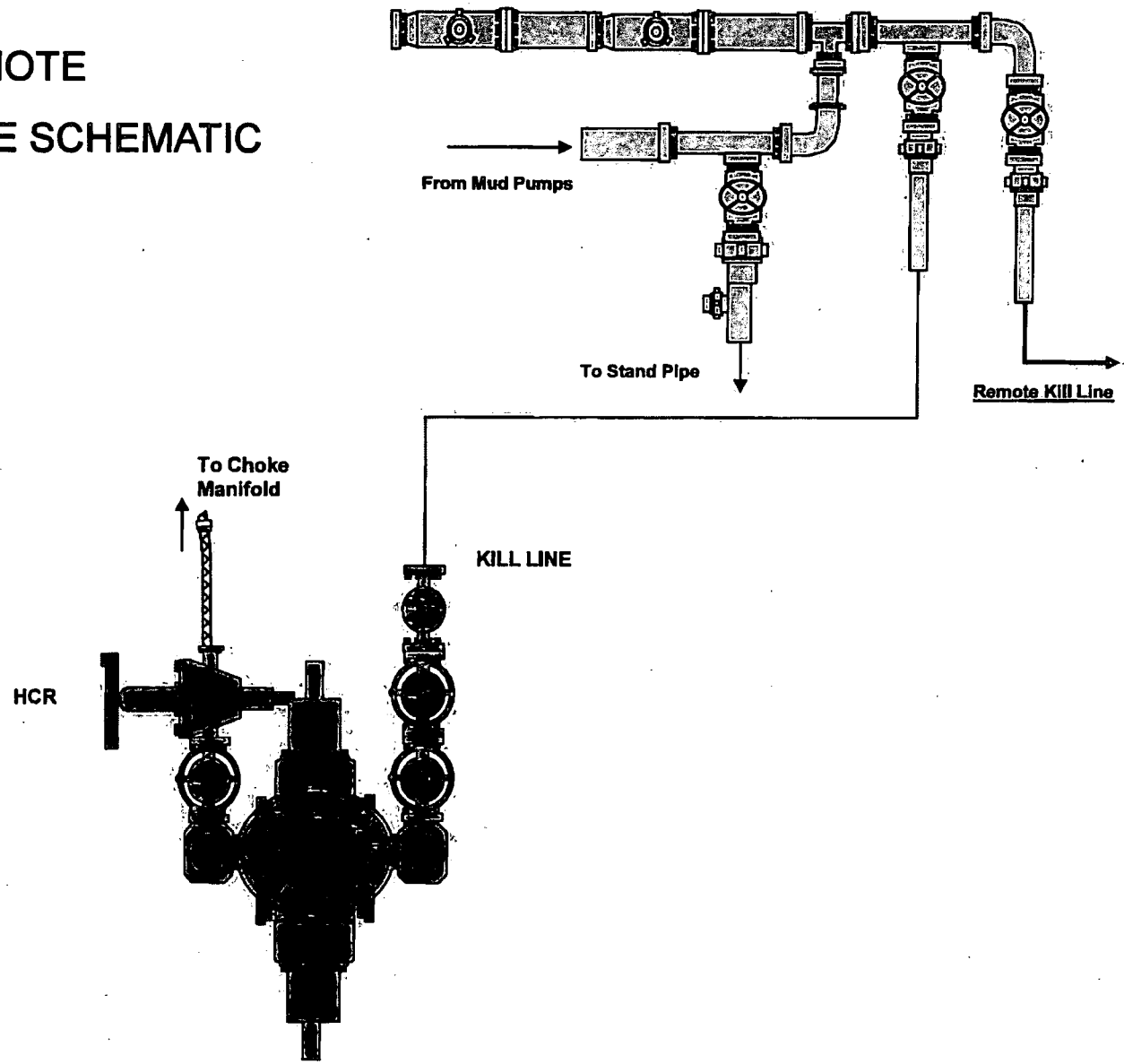
18. Choke Manifold Valve

21. Vertical Choke Manifold Valve

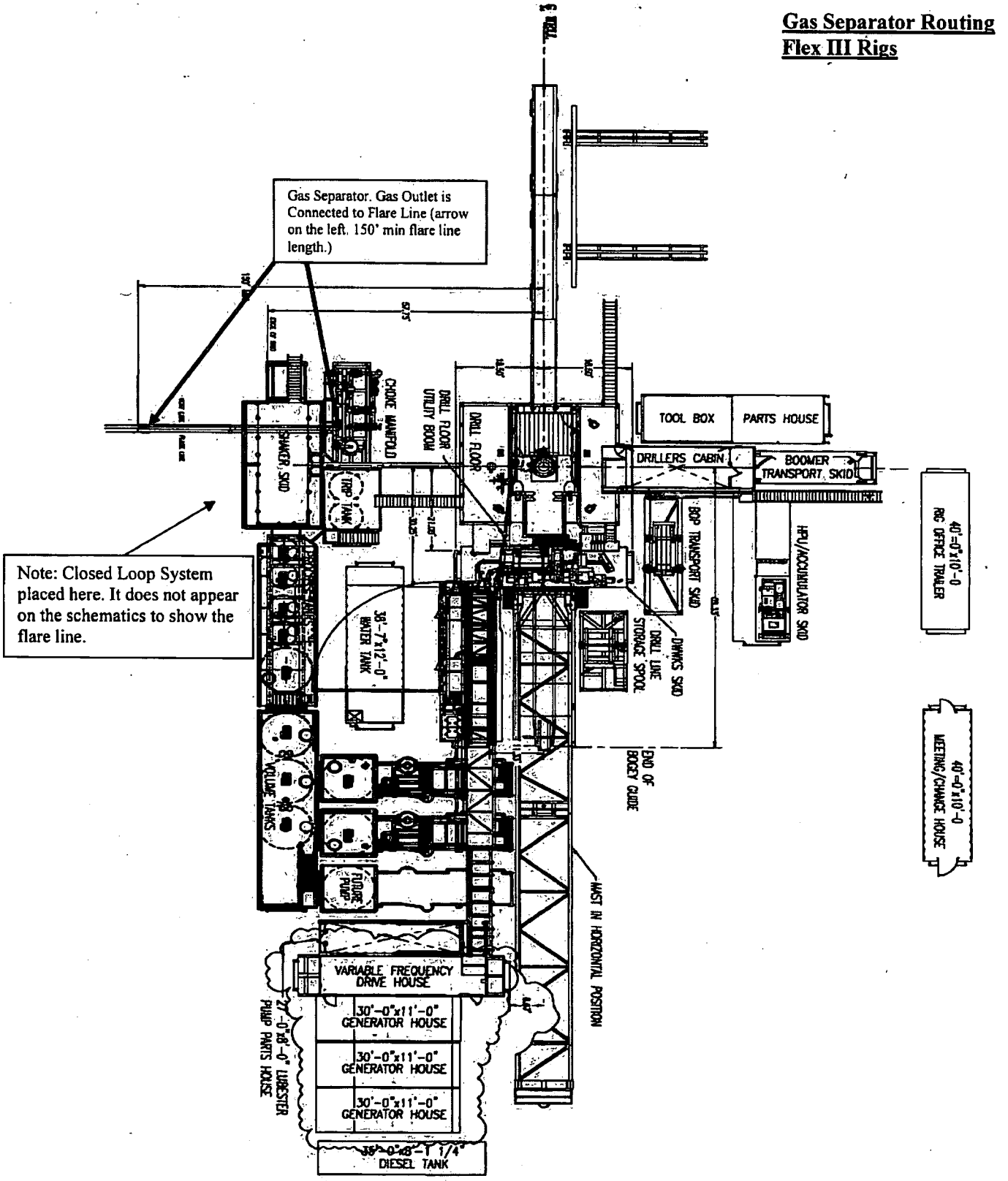
***All Valves 3" minimum**

10M REMOTE

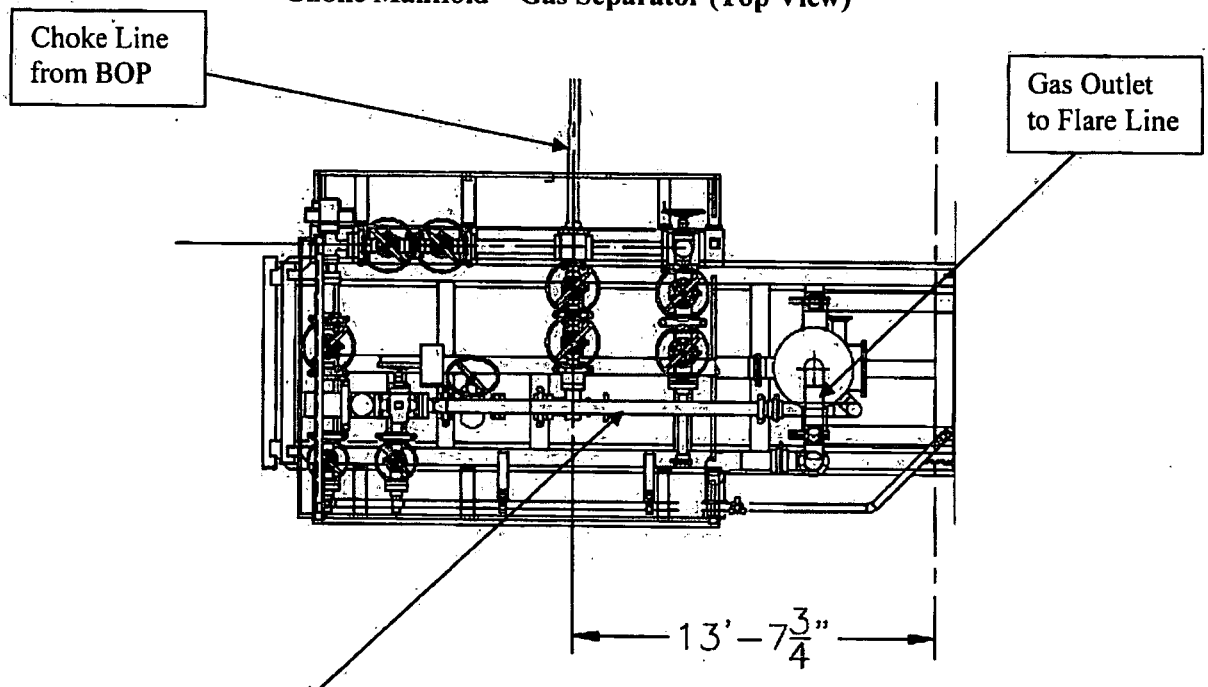
KILL LINE SCHEMATIC



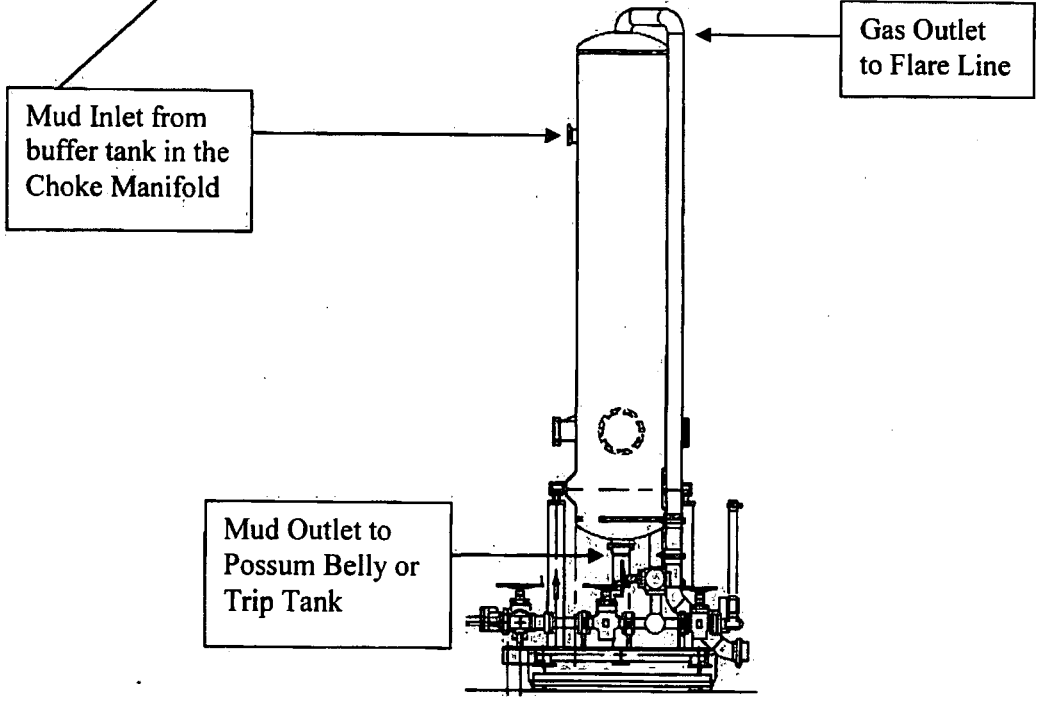
Gas Separator Routing
Flex III Rigs



Choke Manifold – Gas Separator (Top View)



Choke Manifold – Gas Separator (Side View)

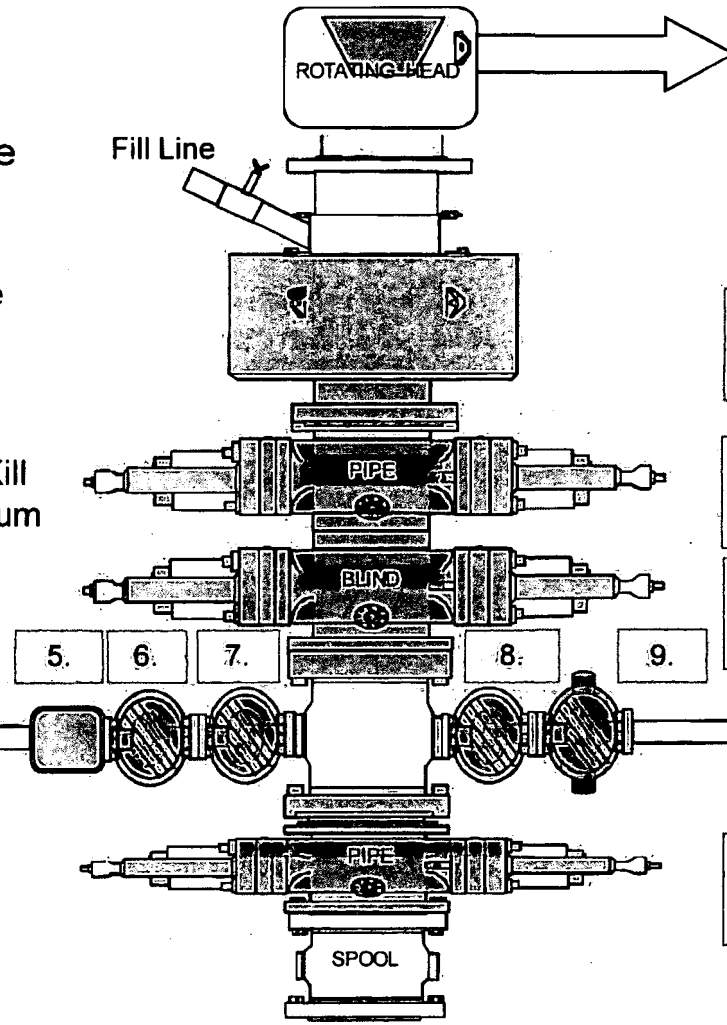


5/10M BOP Stack

Mud Cross Valves:

5. 10M Check Valve
6. Outside 10M Kill Line Valve
7. Inside 10M Kill Line
8. Outside10M Kill Line Valve
9. 10M HCR Valve

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



To Kill Line

To Co-Flex and Choke Manifold

1. 5,000 psi Annular (13-5/8" ID)

2. 10,000 psi Upper Pipe Ram (13-5/8" ID)

3. 10,000 psi Blind Ram (13-5/8" ID)

4. 10,000 psi Lower Pipe Ram (13-5/8" ID)

Status check list

Note: All items on this list must be completed before drilling to production casing point.

1. H2S sign at location entrance.
2. Two (2) wind socks located as required.
3. Four (4) 30-minute positive pressure air packs (2 at each Briefing area) on location for all rig personnel and mud loggers.
4. Air packs inspected and ready for use.
5. Cascade system and hose line hook-up as needed.
6. Cascade system for refilling air bottles as needed.
7. Condition flag on location and ready for use.
8. H2S detection system hooked up and tested.
9. H2S alarm system hooked up and tested.
10. Hand operated H2S detector with tubes on location.
11. 1 – 100' length of nylon rope on location.
12. All rig crew and supervisors trained as required.
13. All outside service contractors advised of potential H2S hazard on well.
14. No smoking sign posted and a designated smoking area identified.
15. Calibration of all H2S equipment shall be noted on the IADC report.

Checked by:_____ Date:_____

Procedural check list during H2S events

Perform each tour:

1. Check fire extinguishers to see that they have the proper charge.

2. Check breathing equipment to ensure that it in proper working order.

3. Make sure all the H2S detection system is operative.

Perform each week:

1. Check each piece of breathing equipment to make sure that demand or forced air regulator is working. This requires that the bottle be opened and the mask assembly be put on tight enough so that when you inhale, you receive air or feel air flow.

2. BOP skills (well control drills).

3. Check supply pressure on BOP accumulator stand by source.

4. Check breathing equipment mask assembly to see that straps are loosened and turned back, ready to put on.

5. Check pressure on breathing equipment air bottles to make sure they are charged to full volume. (Air quality checked for proper air grade "D" before bringing to location)

6. Confirm pressure on all supply air bottles.

7. Perform breathing equipment drills with on-site personnel.

8. Check the following supplies for availability.

   A. Emergency telephone list.
   B. Hand operated H2S detectors and tubes.

General evacuation plan

1. When the company approved supervisor (Drill Site Manager, consultant, rig pusher, or driller) determines the H2S gas cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.

2. Drill Site Manager or designee will notify local government agency that a hazardous condition exists and evacuation needs to be implemented.

3. Company or contractor safety personnel that have been trained in the use of H2S detection equipment and self-contained breathing equipment will monitor H2S concentrations, wind directions, and area of exposure. They will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area will be determined from information gathered.

4. Law enforcement personnel (state police, police dept., fire dept., and sheriff's dept.) Will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.

5. After the discharge of gas has been controlled, company safety personnel will determine when the area is safe for re-entry.

Important: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

Emergency actions

Well blowout – if emergency

1. Evacuate all personnel to "Safe Briefing / Muster Areas" or off location if needed.
2. If sour gas – evacuate rig personnel.
3. If sour gas – evacuate public within 3000 ft radius of exposure.
4. Don SCBA and shut well in if possible using the buddy system.
5. Notify Drilling Superintendent and call 911 for emergency help (fire dept and ambulance) if needed.
6. Implement the Blowout Contingency Plan, and Drilling Emergency Action Plan.
6. Give first aid as needed.

Person down location/facility

1. If immediately possible, contact 911. Give location and wait for confirmation.
2. Don SCBA and perform rescue operation using buddy system.

Toxic effects of hydrogen sulfide

Hydrogen sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 ppm, which is .001% by volume. Hydrogen sulfide is heavier than air (specific gravity – 1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen sulfide is almost as toxic as hydrogen cyanide and is between five and six times more toxic than carbon monoxide. Toxicity data for hydrogen sulfide and various other gases are compared in table i. Physical effects at various hydrogen sulfide exposure levels are shown in table ii.

Table i
Toxicity of various gases

Common name	Chemical formula	Specific gravity (sc=1)	Threshold limit (1)	Hazardous limit (2)	Lethal concentration (3)
Hydrogen Cyanide	Hcn	0.94	10 ppm	150 ppm/hr	300 ppm
Hydrogen Sulfide	H2S	1.18	10 ppm	250 ppm/hr	600 ppm
Sulfur Dioxide	So2	2.21	5 ppm	-	1000 ppm
Chlorine	Cl2	2.45	1 ppm	4 ppm/hr	1000 ppm
Carbon Monoxide	Co	0.97	50 ppm	400 ppm/hr	1000 ppm
Carbon Dioxide	Co2	1.52	5000 ppm	5%	10%
Methane	Ch4	0.55	90,000 ppm	Combustible above 5% in air	

1) threshold limit – concentration at which it is believed that all workers may be repeatedly exposed day after day without adverse effects.

2) hazardous limit – concentration that will cause death with short-term exposure.

3) lethal concentration – concentration that will cause death with short-term exposure.

Toxic effects of hydrogen sulfide

Table ii
Physical effects of hydrogen sulfide

Concentration			Physical effects
Percent (%)	Ppm	Grains 100 std. Ft3*	
0.001	<10	00.65	Obvious and unpleasant odor.

0.002	10	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kill smell in 3 – 15 minutes. May sting eyes and throat.
0.020	200	12.96	Kills smell shortly; stings eyes and throat.
0.050	500	32.96	Dizziness; breathing ceases in a few minutes; needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; followed by death within minutes.

*at 15.00 psia and 60'f.

Use of self-contained breathing equipment (SCBA)

1. Written procedures shall be prepared covering safe use of SCBA's in dangerous atmosphere, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available SCBA.

2 SCBA's shall be inspected frequently at random to insure that they are properly used, cleaned, and maintained.

3. Anyone who may use the SCBA's shall be trained in how to insure proper face-piece to face seal. They shall wear SCBA's in normal air and then wear them in a test atmosphere. (note: such items as facial hair {beard or sideburns} and eyeglasses will not allow proper seal.) Anyone that may be reasonably expected to wear SCBA's should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses or contact lenses.

4. Maintenance and care of SCBA's:

   a. A program for maintenance and care of SCBA's shall include the following:
      1. Inspection for defects, including leak checks.
      2. Cleaning and disinfecting.
      3. Repair.
      4. Storage.

   b. Inspection, self-contained breathing apparatus for emergency use shall be inspected monthly.
      1. Fully charged cylinders.
      2. Regulator and warning device operation.
      3. Condition of face piece and connections.
      4. Rubber parts shall be maintained to keep them pliable and prevent deterioration.

   c. Routinely used SCBA's shall be collected, cleaned and disinfected as frequently as necessary to insure proper protection is provided.

5. Persons assigned tasks that requires use of self-contained breathing equipment shall be certified physically fit (medically cleared) for breathing equipment usage at least annually.

6. SCBA's should be worn when:

   A. Any employee works near the top or on top of any tank unless test reveals less than 10 ppm of H2S.

B. When breaking out any line where H2S can reasonably be expected.

C. When sampling air in areas to determine if toxic concentrations of H2S exists.

D. When working in areas where over 10 ppm H2S has been detected.

E. At any time there is a doubt as to the H2S level in the area to be entered.

Rescue
First aid for H2S poisoning

Do not panic!

Remain calm – think!

1. Don SCBA breathing equipment.

2. Remove victim(s) utilizing buddy system to fresh air as quickly as possible. (go up-wind from source or at right angle to the wind. Not down wind.)

3. Briefly apply chest pressure – arm lift method of artificial respiration to clean the victim's lungs and to avoid inhaling any toxic gas directly from the victim's lungs.

4. Provide for prompt transportation to the hospital, and continue giving artificial respiration if needed.

5. Hospital(s) or medical facilities need to be informed, before-hand, of the possibility of H2S gas poisoning – no matter how remote the possibility is.

6. Notify emergency room personnel that the victim(s) has been exposed to H2S gas.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration.

Revised CM 6/27/2012

OXY Permian Delaware NM Basin Drilling & Completions Incident Reporting
OXY Permian Crisis Team Hotline Notification

Person	Location	Office Phone	Cell/Mobile Phone	Home Phone	Pager Number
Drilling & Completions Department					
Drilling & Completions Manager: John Willis	Houston	(713) 366-5556	(713) 259-1417		
Drilling Superintendent: Simon Benavides	Houston	(713) 215-7403	(832) 528-3547		
Completions Superintendent: Chris Winter	Houston	(713) 366-5212	(806) 239-8774		
Drilling Eng. Supervisor: Diego Tellez	Houston	(713) 350-4602	(713) 303-4932		
Drilling Eng. Supervisor: Randy Neel	Houston	(713) 215-7987	(713) 517-5544		
Completions Eng. Supervisor: Evan Hinkel	Houston	(713) 366-5436	(281) 236-6153		
Drilling & Completions HES Lead. Ryan Green	Houston	(713) 336-5753	(281) 520-5216		
Drilling & Completions HES Advisor:Kenny Williams	Carlsbad	(432) 686-1434	(337) 208-0911		
Drilling & Completions HES Advisor:Kyle Holden	Carlsbad	(432) 686-1435	(661) 369-5328		
Drilling & Completions HES Advisor Sr:Dave Schmidt	Carlsbad		(559) 310-8572		
Drilling & Completions HES Advisor. :Seth Doyle	Carlsbad		(337) 499-0756		
HES / Enviromental & Regulatory Department	Location	Office	Cell Phone		
Jon Hamil-HES Manager	Houston	(713) 497-2494	(832) 537-9885		
Mark Birk-HES Manager	Houston	(713) 350-4615	(949) 413-3127		
Austin Tramell	Midland	(432) 699-4208	(575) 499-4919		
Rico Munoz	Midland	(432) 699-8366	(432) 803-4116		
Amber DuckWorth	Midland		(832) 966-1879		
Kelley Montgomery- Regulatory Manager	Houston	(713) 366-5716	(832) 454-8137		
Sandra Musallam -Regulatory Lead	Houston	+1 (713) 366-5106	+1 (713) 504-8577		
Bishop, Steve-DOT Pipeline Coordinator	Midland	432-685-5614			
Wilson, Dusty-Safety Advisor	Midland	432-685-5771	(432) 254-2336		
John W Dittrich Enironmental Advisor	Midland		(575) 390-2828		
William (Jack) Calhoun-Environmental Lead	Houston	713 (350) 4906	(281) 917-8571		
Robert Barrow-Risk Engineer Manager	Houston	(713) 366-5611	(832) 867-5336		
Sarah Holmes-HSE Cordinator	Midland	(432) 685-5758			
Administrative	Location	Office			
Sarah Holmes	Midland	(432) 685-5830			
Robertson, Debbie	Midland	(432) 685-5812			
Laci Hollaway	Midland	(432) 685-5716	(432) 631-6341		
Administrative	Location	Office			
Rosalinda Escajeda	Midland	(432) 685-5831			
Moreno, Leslie (contract)	Hobbs	(575) 397-8247			
Sehon, Angela (contractor)	Levelland	(806) 894-8347			
Vasquez, Claudia (contractor)	North Cowden	(432) 385-3120			
XstremeMD	Location	Office			
Medical Case Management	Orla, TX	(337) 205-9314			
Axiom Medical Consulting	Location	Office			
Medical Case Management		(877) 502-9466			
Regulatory Agencies					
Bureau of Land Management	Carlsbad, NM	(505) 887-6544			
Bureau of Land Management	Hobbs, NM	(505) 393-3612			
Bureau of Land Management	Roswell, NM	(505) 393-3612			
Bureau of Land Management	Santa Fe, NM	(505) 988-6030			
DOT Juisdictional Pipelines-Incident Reporting New Mexico Public Regulaion Commission	Santa Fe, NM	(505) 827-3549 (505) 490-2375			
DOT Juisdictional Pipelines-Incident Reporting Texas Railroad Commission	Austin, TX	(512) 463-6788			
EPA Hot Line	Dallas, Texas	(214) 665-6444			
Federal OSHA, Area Office	Lubbock, Texas	(806) 472-7681			
National Response Center	Washington, D. C.	(800) 424-8802			
National Infrastructure Coordinator Center		(202) 282-9201			
New Mexico Air Quality Bureau	Santa Fe, NM	(505) 827-1494			
New Mexico Oil Conservation Division	Artesia, NM	(505) 748-1283	After Hours (505) 370-7545		
New Mexico Oil Conservation Division	Hobbs, NM	(505) 393-6161			
New Mexico Oil Conservation Division	Santa Fe, NM	(505) 471-1068			
New Mexico OCD Environmental Bureau	Santa Fe, NM	(505) 827-7152 (505) 476-3470			
New Mexico Environmental Department	Hobbs, NM	(505) 827-9329			
NM State Emergency Response Center	Santa Fe, NM	(505) 827-9222			
Railroad Commission of TX	District 1 San Antonio, TX	(210) 227-1313			
Railroad Commission of TX	District 7C San Angelo, TX	(325) 657-7450			
Railroad Commission of TX	District 8, 8A Midland, TX	(432) 684-5581			
Texas Emergency Response Center	Austin, TX	(512) 463-7727			
TCEQ Air	Region 2 Lubbock, TX	(806) 796-3494			
TCEQ Water/Waste/Air	Region 3 Abilene, TX	(325) 698-9674			
TCEQ Water/Waste/Air	Region 7 Midland, TX	(432) 570-1359			
TCEQ Water/Waste/Air	Region 9 San Antonio, TX	(512) 734-7981			
TCEQ Water/Waste/Air	Region 8 San Angelo	(325) 655-9479			

Medical Facilities					
Abernathy Medical Clinic	Abernathy, TX	(806) 298-2524			
Alliance Hospital	Odessa, TX	(432) 550-1000			
Artesia General Hospital	Artesia, NM	(505) 748-3333			
Brownfield Regional Medical Center	Brownfield, TX	(806) 637-3551			
Cogdell Memorial Hospital	Snyder, TX	(325) 573-6374			
Covenant Hospital Levelland	Levelland, TX	(806) 894-4963			
Covenant Medical Center	Lubbock, TX	(806) 725-1011			
Covenant Medical Center Lakeside	Lubbock, TX	(806) 725-6000			
Covenant Family Health	Synder, TX	(325) 573-1300			
Crockett County Hospital	Ozona, TX	(325) 392-2671			
Guadalupe Medical Center	Carlsbad, NM	(505) 887-6633			
Lea Regional Hospital	Hobbs, NM	(505) 492-5000			
McCamey Hospital	McCamey, TX	(432) 652-8626			
Medical Arts Hospital	Lamesa, TX	(806) 872-2183			
Medical Center Hospital	Odessa, TX	(432) 640-4000			
Medi Center Hospital	San Angelo, TX	(325) 653-6741			
Memorial Hospital	Ft. Stockton	(432) 336-2241			
Memorial Hospital	Seminole, TX	(432) 758-5811			
Midland Memorial Hospital	Midland, TX	(432) 685-1111			
Nor-Lea General Hospital	Lovington, NM	(505) 396-6611			
Odessa Regional Hospital	Odessa, TX	(432) 334-8200			
Permian General Hospital	Andrews, TX	(432) 523-2200			
Reagan County Hospital	Big Lake, TX	(325) 884-2561			
Reeves County Hospital	Pecos, TX	(432) 447-3551			
Shannon Medical Center	San Angelo, TX	(325) 653-6741			
Union County General Hospital	Clayton, NM	(505) 374-2585			
University Medical Center	Lubbock, TX	(806) 725-8200			
Val Verde Regional Medical Center	Del Rio, TX	(830) 775-8566			
Ward Memorial Hospital	Monahans, TX	(432) 943-2511			
Yoakum County Hospital	Denver City, TX	(806) 592-5484			
Law Enforcement - Sheriff's					
Andrews Cty Sheriff's Department	Andrews County(Andrews)	(432) 523-5545			
Crane Cty Sheriff's Department	Crane, County (Crane)	(432) 558-3571			
Crockett Cty Sheriff's Department	Crockett County (Ozona)	(325) 392-2661			
Dawson Cty Sheriff's Department	Dawson County (Lamesa)	(806) 872-7560			
Ector Cty Sheriff's Department	Ector County (Odessa)	(432) 335-3050			
Eddy Cty Sheriff's Department	Eddy County (Artesia)	(505) 746-2704			
Eddy Cty Sheriff's Department	Eddy County (Carlsbad)	(505) 887-7551			
Gaines Cty Sheriff's Department	Gaines County (Seminole)	(432) 758-9871			
Hockley Cty Sheriff's Department	Hockley County(Levelland)	(806) 894-3126			
Kent Cty (Jayton City Sheriff's Dept.)	Kent County(Jayton)	(806) 237-3801			
Lea Cty Sheriff's Department	Lea County (Eunice)	(505) 384-2020			
Lea Cty Sheriff's Department	Lea County (Hobbs)	(505) 393-2515			
Lea Cty Sheriff's Department	Lea County (Lovington)	(505) 396-3611			
Lubbock Cty Sheriff's Department	Lubbock Cty (Abernathy)	(806) 296-2724			
Midland Cty Sheriff's Department	Midland County (Midland)	(432) 688-1277			
Pecos Cty Sheriff's Department	Pecos County (Iraan)	(432) 639-2251			
Reeves Cty Sheriff's Department	Reeves County (Pecos)	(432) 445-4901			
Scurry Cty Sheriff's Department	Scurry County (Snyder)	(325) 573-3551			
Terry Cty Sheriff's Department	Terry County (Brownfield)	(806) 637-2212			
Union Cty Sheriff's Department	Union County (Clayton)	(505) 374-2583			
Upton Cty Sheriff's Department	Upton County (Rankin)	(432) 693-2422			
Ward Cty Sheriff's Department	Ward County (Monahans)	(432) 943-3254			
Yoakum City Sheriff's Department	Yoakum Co. (Denever City)	(806) 456-2377			

Law Enforcement - Police					
Abernathy City Police	Abernathy, TX	(806) 298-2545			
Andrews City Police	Andrews, TX	(432) 523-5675			
Artesia City Police	Artesia, NM	(505) 746-2704			
Brownfield City Police	Brownfield, TX	(806) 637-2544			
Carlsbad City Police	Carlsbad, NM	(505) 885-2111			
Clayton City Police	Clayton, NM	(505) 374-2504			
Denver City Police	Denver City, TX	(806) 592-3516			
Eunice City Police	Eunice, NM	(505) 394-2112			
Hobbs City Police	Hobbs, NM	(505) 397-9265 (505) 393-2677			
Jal City Police	Jal, NM	(505) 395-2501			
Jayton City Police	Jayton, TX	(806) 237-3801			
Lamesa City Police	Lamesa, TX	(806) 872-2121			
Levelland City Police	Levelland, TX	(806) 894-6164			
Lovington City Police	Lovington, NM	(505) 396-2811			
Midland City Police	Midland, TX	(432) 685-7113			
Monahans City Police	Monahans, TX	(432) 943-3254			
Odessa City Police	Odessa, TX	(432) 335-3378			
Seminole City Police	Seminole, TX	(432) 758-9871			
Snyder City Police	Snyder, TX	(325) 573-2611			
Sundown City Police	Sundown, TX	(806) 229-8241			
Law Enforcement - FBI					
FBI	Alburqueque, NM	(505) 224-2000			
FBI	Midland, TX	(432) 570-0255			
Law Enforcement - DPS					
NM State Police	Artesia, NM	(505) 746-2704			
NM State Police	Carlsbad, NM	(505) 885-3137			
NM State Police	Eunice, NM	(505) 392-5588			
NM State Police	Hobbs, NM	(505) 392-5588			
NM State Police	Clayton, NM	(505) 374-2473; 911			
TX Dept of Public Safety	Andrews, TX	(432) 524-1443			
TX Dept of Public Safety	Big Lake, TX	(325) 884-2301			
TX Dept of Public Safety	Brownfield, TX	(806) 637-2312			
TX Dept of Public Safety	Iraan, TX	(432) 639-3232			
TX Dept of Public Safety	Lamesa, TX	(806) 872-8675			
TX Dept of Public Safety	Levelland, TX	(806) 894-4385			
TX Dept of Public Safety	Lubbock, TX	(806) 747-4491			
TX Dept of Public Safety	Midland, TX	(432) 697-2211			
TX Dept of Public Safety	Monahans, TX	(432) 943-5857			
TX Dept of Public Safety	Odessa, TX	(432) 332-6100			
TX Dept of Public Safety	Ozona, TX	(325) 392-2621			
TX Dept of Public Safety	Pecos, TX	(432) 447-3533			
TX Dept of Public Safety	Seminole, TX	(432) 758-4041			
TX Dept of Public Safety	Snyder, TX	(325) 573-0113			
TX Dept of Public Safety	Terry County TX	(806) 637-8913			
TX Dept of Public Safety	Yoakum County TX	(806) 456-2377			

Firefighting & Rescue					
Abernathy	Abernathy, TX	(806) 298-2022			
Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113			
Andrews	Andrews, TX	(432) 523-4820 (432) 523-3111			
Artesia	Artesia, NM	(505) 746-5051			
Big Lake	Big Lake, TX	(325) 884-3650			
Brownfield-Administrative & other calls	Brownfield, TX	(816) 637-4547			
Brownfield emergency only	Brownfield, TX	911			
Carlsbad	Carlsbad, NM	(505) 885-3125			
Clayton	Clayton, NM	(505) 374-2435			
Cotton Center	Cotton Center, TX	(806) 879-2157			
Crane	Crane, TX	(432) 558-2361			
Del Rio	Del Rio, TX	(830) 774-8650			
Denver City	Denver City, TX	(806) 592-3516			
Eldorado	Eldorado, TX	(325) 853-2691			
Eunice	Eunice, NM	(505) 394-2111			
Garden City	Garden City, TX	(432) 354-2404			
Goldsmith	Goldsmith, TX	(432) 827-3445			
Hale Center	Hale Center, TX	(806) 839-2411			
Halfway	Halfway, TX				
Hobbs	Hobbs, NM	(505) 397-9308			
Jal	Jal, NM	(505) 395-2221			
Jayton	Jayton, TX	(806) 237-3801			
Kermit	Kermit, TX	(432) 586-3468			
Lamesa	Lamesa, TX	(806) 872-4352			
Levelland	Levelland, TX	(806) 894-3154			
Lovington	Lovington, NM	(505) 396-2359			
Maljamar	Maljamar, NM	(505) 676-4100			
McCamey	McCamey, TX	(432) 652-8232			
Midland	Midland, TX	(432) 685-7346			
Monahans	Monahans, TX	(432) 943-4343			
Nara Visa	Nara Visa, NM	(505) 461-3300			
Notrees	Notress, TX	(432) 827-3445			
Odessa	Odessa, TX	(432) 335-4659			
Ozona	Ozona, TX	(325) 392-2626			
Pecos	Pecos, TX	(432) 445-2421			
Petersburg	Petersburg, TX	(806) 667-3461			
Plains	Plains, TX	(806) 456-8067			
Plainview	Plainview, TX	(806) 296-1170			
Rankin	Rankin, TX	(432) 693-2252			
San Angelo	San Angelo, TX	(325) 657-4355			
Sanderson	Sanderson, TX	(432) 345-2525			
Seminole	Seminole, TX	(432) 758-3676 (432) 758-9871			
Smyer	Smyer, TX	(806) 234-3861			
Snyder	Snyder, TX	(325) 573-6215			
Sundown	Sundown, TX	911			
Tucumcari	Tucumcari, NM	911			
West Odessa	Odessa, TX	(432) 381-3033			

Ambulance					
Abernathy Ambulance	Abernathy, TX	(806) 298-2241			
Amistad/Rosebud	Amistad/Rosebud, NM	(505) 633-9113			
Andrews Ambulance	Andrews, TX	(432) 523-5675			
Artesia Ambulance	Artesia, NM	(505) 746-2701			
Big Lake Ambulance	Big Lake, TX	(325) 884-2423			
Big Spring Ambulance	Big Spring, TX	(432) 264-2550			
Brownfield Ambulance	Brownfield, TX	(806) 637-2511			
Carlsbad Ambulance	Carlsbad, NM	(505) 885-2111; 911			
Clayton, NM	Clayton, NM	(505) 374-2501			
Denver City Ambulance	Denver City, TX	(806) 592-3516			
Eldorado Ambulance	Eldorado, TX	(325) 853-3456			
Eunice Ambulance	Eunice, NM	(505) 394-3258			
Goldsmith Ambulance	Goldsmith, TX	(432) 827-3445			
Hobbs, NM	Hobbs, NM	(505) 397-9308			
Jal, NM	Jal, NM	(505) 395-2501			
Jayton Ambulance	Jayton, TX	(806) 237-3801			
Lamesa Ambulance	Lamesa, TX	(806) 872-3464			
Levelland Ambulance	Levelland, TX	(806) 894-8855			
Lovington Ambulance	Lovington, NM	(505) 396-2811			
McCamey Hospital	McCamey, TX	(432) 652-8626			
Midland Ambulance	Midland, TX	(432) 685-7499			
Monahans Ambulance	Monahans, TX	(432) 943-3385 or 3731			
Nara Visa, NM	Nara Visa, NM	(505) 461-3300			
Odessa Ambulance	Odessa, TX	(432) 335-3378			
Ozona Ambulance	Ozona, TX	(325) 392-2671			
Pecos Ambulance	Pecos, TX	(432) 445-4444			
Rankin Ambulance	Rankin, TX	(432) 693-2443			
San Angelo Ambulance	San Angelo, TX	(325) 657-4357			
Seminole Ambulance	Seminole, TX	(432) 758-8816 (432) 758-9871			
Snyder Ambulance	Snyder, TX	(325) 573-1911			
Stanton Ambulance	Stanton, TX	(432) 756-2211			
Sundown Ambulance	Sundown, TX	911			
Tucumcari, NM	Tucumcari, NM	911			
Medical Air Ambulance Service					
AEROCARE - Methodist Hospital	Lubbock, TX	(800) 627-2376			
San Angelo Med-Vac Air Ambulance	San Angelo, TX	(800) 277-4354			
Southwest Air Ambulance Service	Stanford, TX	(800) 242-6199			
Southwest MediVac	Snyder, TX	(800) 242-6199			
Southwest MediVac	Hobbs, NM	(800) 242-6199			
Odessa Care Star	Odessa, TX	(888) 624-3571			
NWTH Medivac	Amarillo, TX	(800) 692-1331			

OXY

PRD NM DIRECTIONAL PLANS (NAD 1983)
Precious 30_18
Precious 30_18 Federal Com 46H

Wellbore #1

Plan: Permitting Plan

Standard Planning Report

23 August, 2019

Oxy Inc.

Planning Report

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Precious 30_18 Federal Com 46H
Company:	ENGINEERING DESIGNS	**TVD Reference:**	RKB=26.5' @ 3375.10ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	RKB=26.5' @ 3375.10ft
Site:	Precious 30_18	**North Reference:**	Grid
Well:	Precious 30_18 Federal Com 46H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
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 Precious 30_18

Site Position:		**Northing:**	461,098.38 usft	**Latitude:**	32° 15' 59.784416 N
From:	Map	**Easting:**	698,809.83 usft	**Longitude:**	103° 49' 25.902124 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	13.200 in	**Grid Convergence:**	0.27 °

Well Precious 30_18 Federal Com 46H

Well Position	**+N/-S**	68.52 ft	**Northing:**	461,166.90 usft	**Latitude:**	32° 16' 0.296316 N
	+E/-W	3,498.20 ft	**Easting:**	702,307.80 usft	**Longitude:**	103° 48' 45.158433 W
Position Uncertainty		1.00 ft	**Wellhead Elevation:**	0.00 ft	**Ground Level:**	3,348.60 ft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM_FILE	12/5/2018	-99,639.00	-99,999.00	-99,999.00000000

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	3.25

Plan Survey Tool Program **Date** 8/23/2019

	Depth From (ft)	Depth To (ft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	25,856.72	Permitting Plan (Wellbore #1)	B001Mb_MWD+HRGM OWSG MWD + HRGM	

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	
6,455.00	0.00	0.00	6,455.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,955.16	10.00	89.80	6,952.63	0.15	43.55	2.00	2.00	0.00	89.80	
11,270.84	10.00	89.80	11,202.70	2.81	793.20	0.00	0.00	0.00	0.00	
11,976.99	10.00	359.68	11,901.66	64.65	854.49	2.00	0.00	-12.76	-134.63	
12,771.74	89.47	359.68	12,375.10	623.64	851.35	10.00	10.00	0.00	0.00	FTP (Precious
25,856.72	89.47	359.68	12,495.10	13,707.87	777.85	0.00	0.00	0.00	0.00	PBHL (Precious

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Precious 30_18 Federal Com 46H
Company:	ENGINEERING DESIGNS	**TVD Reference:**	RKB=26.5' @ 3375.10ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	RKB=26.5' @ 3375.10ft
Site:	Precious 30_18	**North Reference:**	Grid
Well:	Precious 30_18 Federal Com 46H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

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	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Precious 30_18 Federal Com 46H
Company:	ENGINEERING DESIGNS	**TVD Reference:**	RKB=26.5' @ 3375.10ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	RKB=26.5' @ 3375.10ft
Site:	Precious 30_18	**North Reference:**	Grid
Well:	Precious 30_18 Federal Com 46H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

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)
5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00
5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00
5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00
5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00
5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00
5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00
6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00
6,200.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0.00	0.00
6,300.00	0.00	0.00	6,300.00	0.00	0.00	0.00	0.00	0.00	0.00
6,400.00	0.00	0.00	6,400.00	0.00	0.00	0.00	0.00	0.00	0.00
6,455.00	0.00	0.00	6,455.00	0.00	0.00	0.00	0.00	0.00	0.00
6,500.00	0.90	89.80	6,500.00	0.00	0.35	0.02	2.00	2.00	0.00
6,600.00	2.90	89.80	6,599.94	0.01	3.67	0.22	2.00	2.00	0.00
6,700.00	4.90	89.80	6,699.70	0.04	10.47	0.63	2.00	2.00	0.00
6,800.00	6.90	89.80	6,799.17	0.07	20.75	1.25	2.00	2.00	0.00
6,900.00	8.90	89.80	6,898.21	0.12	34.49	2.08	2.00	2.00	0.00
6,955.16	10.00	89.80	6,952.63	0.15	43.55	2.62	2.00	2.00	0.00
7,000.00	10.00	89.80	6,996.78	0.18	51.34	3.09	0.00	0.00	0.00
7,100.00	10.00	89.80	7,095.26	0.24	68.71	4.14	0.00	0.00	0.00
7,200.00	10.00	89.80	7,193.74	0.30	86.08	5.18	0.00	0.00	0.00
7,300.00	10.00	89.80	7,292.22	0.37	103.45	6.23	0.00	0.00	0.00
7,400.00	10.00	89.80	7,390.70	0.43	120.82	7.27	0.00	0.00	0.00
7,500.00	10.00	89.80	7,489.18	0.49	138.19	8.32	0.00	0.00	0.00
7,600.00	10.00	89.80	7,587.66	0.55	155.56	9.36	0.00	0.00	0.00
7,700.00	10.00	89.80	7,686.14	0.61	172.93	10.41	0.00	0.00	0.00
7,800.00	10.00	89.80	7,784.62	0.67	190.30	11.45	0.00	0.00	0.00
7,900.00	10.00	89.80	7,883.10	0.74	207.67	12.50	0.00	0.00	0.00
8,000.00	10.00	89.80	7,981.58	0.80	225.04	13.55	0.00	0.00	0.00
8,100.00	10.00	89.80	8,080.06	0.86	242.41	14.59	0.00	0.00	0.00
8,200.00	10.00	89.80	8,178.54	0.92	259.78	15.64	0.00	0.00	0.00
8,300.00	10.00	89.80	8,277.02	0.98	277.15	16.68	0.00	0.00	0.00
8,400.00	10.00	89.80	8,375.50	1.04	294.52	17.73	0.00	0.00	0.00
8,500.00	10.00	89.80	8,473.98	1.10	311.89	18.77	0.00	0.00	0.00
8,600.00	10.00	89.80	8,572.46	1.17	329.26	19.82	0.00	0.00	0.00
8,700.00	10.00	89.80	8,670.94	1.23	346.63	20.86	0.00	0.00	0.00
8,800.00	10.00	89.80	8,769.42	1.29	364.00	21.91	0.00	0.00	0.00
8,900.00	10.00	89.80	8,867.90	1.35	381.37	22.95	0.00	0.00	0.00
9,000.00	10.00	89.80	8,966.38	1.41	398.75	24.00	0.00	0.00	0.00
9,100.00	10.00	89.80	9,064.86	1.47	416.12	25.05	0.00	0.00	0.00
9,200.00	10.00	89.80	9,163.34	1.54	433.49	26.09	0.00	0.00	0.00
9,300.00	10.00	89.80	9,261.82	1.60	450.86	27.14	0.00	0.00	0.00
9,400.00	10.00	89.80	9,360.30	1.66	468.23	28.18	0.00	0.00	0.00
9,500.00	10.00	89.80	9,458.78	1.72	485.60	29.23	0.00	0.00	0.00
9,600.00	10.00	89.80	9,557.26	1.78	502.97	30.27	0.00	0.00	0.00
9,700.00	10.00	89.80	9,655.74	1.84	520.34	31.32	0.00	0.00	0.00
9,800.00	10.00	89.80	9,754.22	1.90	537.71	32.36	0.00	0.00	0.00
9,900.00	10.00	89.80	9,852.70	1.97	555.08	33.41	0.00	0.00	0.00
10,000.00	10.00	89.80	9,951.18	2.03	572.45	34.46	0.00	0.00	0.00
10,100.00	10.00	89.80	10,049.65	2.09	589.82	35.50	0.00	0.00	0.00
10,200.00	10.00	89.80	10,148.13	2.15	607.19	36.55	0.00	0.00	0.00
10,300.00	10.00	89.80	10,246.61	2.21	624.56	37.59	0.00	0.00	0.00
10,400.00	10.00	89.80	10,345.09	2.27	641.93	38.64	0.00	0.00	0.00
10,500.00	10.00	89.80	10,443.57	2.33	659.30	39.68	0.00	0.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Precious 30_18 Federal Com 46H
Company:	ENGINEERING DESIGNS	**TVD Reference:**	RKB=26.5' @ 3375.10ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	RKB=26.5' @ 3375.10ft
Site:	Precious 30_18	**North Reference:**	Grid
Well:	Precious 30_18 Federal Com 46H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

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)
10,600.00	10.00	89.80	10,542.05	2.40	676.67	40.73	0.00	0.00	0.00
10,700.00	10.00	89.80	10,640.53	2.46	694.04	41.77	0.00	0.00	0.00
10,800.00	10.00	89.80	10,739.01	2.52	711.41	42.82	0.00	0.00	0.00
10,900.00	10.00	89.80	10,837.49	2.58	728.78	43.86	0.00	0.00	0.00
11,000.00	10.00	89.80	10,935.97	2.64	746.15	44.91	0.00	0.00	0.00
11,100.00	10.00	89.80	11,034.45	2.70	763.52	45.96	0.00	0.00	0.00
11,200.00	10.00	89.80	11,132.93	2.77	780.89	47.00	0.00	0.00	0.00
11,270.84	10.00	89.80	11,202.70	2.81	793.20	47.74	0.00	0.00	0.00
11,300.00	9.60	87.31	11,231.43	2.93	798.16	48.15	2.00	-1.37	-8.54
11,400.00	8.39	77.10	11,330.20	4.95	813.60	51.04	2.00	-1.21	-10.21
11,500.00	7.52	64.04	11,429.25	9.45	826.60	56.26	2.00	-0.87	-13.06
11,600.00	7.12	48.61	11,528.44	16.41	837.13	63.81	2.00	-0.40	-15.43
11,700.00	7.26	32.62	11,627.67	25.83	845.19	73.67	2.00	0.14	-15.99
11,800.00	7.92	18.28	11,726.80	37.69	850.75	85.83	2.00	0.66	-14.34
11,900.00	8.99	6.71	11,825.72	51.99	853.83	100.28	2.00	1.06	-11.56
11,976.99	10.00	359.68	11,901.66	64.65	854.49	112.96	2.00	1.32	-9.14
12,000.00	12.30	359.68	11,924.23	69.10	854.47	117.40	10.00	10.00	0.00
12,100.00	22.30	359.68	12,019.59	98.80	854.30	147.04	10.00	10.00	0.00
12,200.00	32.30	359.68	12,108.33	144.61	854.04	192.76	10.00	10.00	0.00
12,300.00	42.30	359.68	12,187.78	205.13	853.70	253.16	10.00	10.00	0.00
12,400.00	52.30	359.68	12,255.51	278.53	853.29	326.42	10.00	10.00	0.00
12,500.00	62.30	359.68	12,309.46	362.57	852.82	410.30	10.00	10.00	0.00
12,600.00	72.30	359.68	12,348.00	454.71	852.30	502.26	10.00	10.00	0.00
12,700.00	82.30	359.68	12,369.96	552.13	851.76	599.50	10.00	10.00	0.00
12,771.74	89.47	359.68	12,375.10	623.64	851.35	670.87	10.00	10.00	0.00
12,800.00	89.47	359.68	12,375.36	651.90	851.20	699.08	0.00	0.00	0.00
12,900.00	89.47	359.68	12,376.28	751.89	850.63	798.88	0.00	0.00	0.00
13,000.00	89.47	359.68	12,377.19	851.89	850.07	898.68	0.00	0.00	0.00
13,100.00	89.47	359.68	12,378.11	951.88	849.51	998.48	0.00	0.00	0.00
13,200.00	89.47	359.68	12,379.03	1,051.88	848.95	1,098.28	0.00	0.00	0.00
13,300.00	89.47	359.68	12,379.94	1,151.87	848.39	1,198.08	0.00	0.00	0.00
13,400.00	89.47	359.68	12,380.86	1,251.86	847.82	1,297.89	0.00	0.00	0.00
13,500.00	89.47	359.68	12,381.78	1,351.86	847.26	1,397.69	0.00	0.00	0.00
13,600.00	89.47	359.68	12,382.70	1,451.85	846.70	1,497.49	0.00	0.00	0.00
13,700.00	89.47	359.68	12,383.61	1,551.85	846.14	1,597.29	0.00	0.00	0.00
13,800.00	89.47	359.68	12,384.53	1,651.84	845.58	1,697.09	0.00	0.00	0.00
13,900.00	89.47	359.68	12,385.45	1,751.84	845.02	1,796.90	0.00	0.00	0.00
14,000.00	89.47	359.68	12,386.36	1,851.83	844.45	1,896.70	0.00	0.00	0.00
14,100.00	89.47	359.68	12,387.28	1,951.82	843.89	1,996.50	0.00	0.00	0.00
14,200.00	89.47	359.68	12,388.20	2,051.82	843.33	2,096.30	0.00	0.00	0.00
14,300.00	89.47	359.68	12,389.12	2,151.81	842.77	2,196.10	0.00	0.00	0.00
14,400.00	89.47	359.68	12,390.03	2,251.81	842.21	2,295.90	0.00	0.00	0.00
14,500.00	89.47	359.68	12,390.95	2,351.80	841.65	2,395.71	0.00	0.00	0.00
14,600.00	89.47	359.68	12,391.87	2,451.80	841.08	2,495.51	0.00	0.00	0.00
14,700.00	89.47	359.68	12,392.78	2,551.79	840.52	2,595.31	0.00	0.00	0.00
14,800.00	89.47	359.68	12,393.70	2,651.78	839.96	2,695.11	0.00	0.00	0.00
14,900.00	89.47	359.68	12,394.62	2,751.78	839.40	2,794.91	0.00	0.00	0.00
15,000.00	89.47	359.68	12,395.54	2,851.77	838.84	2,894.72	0.00	0.00	0.00
15,100.00	89.47	359.68	12,396.45	2,951.77	838.27	2,994.52	0.00	0.00	0.00
15,200.00	89.47	359.68	12,397.37	3,051.76	837.71	3,094.32	0.00	0.00	0.00
15,300.00	89.47	359.68	12,398.29	3,151.75	837.15	3,194.12	0.00	0.00	0.00
15,400.00	89.47	359.68	12,399.20	3,251.75	836.59	3,293.92	0.00	0.00	0.00
15,500.00	89.47	359.68	12,400.12	3,351.74	836.03	3,393.72	0.00	0.00	0.00
15,600.00	89.47	359.68	12,401.04	3,451.74	835.47	3,493.53	0.00	0.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Precious 30_18 Federal Com 46H
Company:	ENGINEERING DESIGNS	**TVD Reference:**	RKB=26.5' @ 3375.10ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	RKB=26.5' @ 3375.10ft
Site:	Precious 30_18	**North Reference:**	Grid
Well:	Precious 30_18 Federal Com 46H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

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)
15,700.00	89.47	359.68	12,401.95	3,551.73	834.90	3,593.33	0.00	0.00	0.00
15,800.00	89.47	359.68	12,402.87	3,651.73	834.34	3,693.13	0.00	0.00	0.00
15,900.00	89.47	359.68	12,403.79	3,751.72	833.78	3,792.93	0.00	0.00	0.00
16,000.00	89.47	359.68	12,404.71	3,851.71	833.22	3,892.73	0.00	0.00	0.00
16,100.00	89.47	359.68	12,405.62	3,951.71	832.66	3,992.53	0.00	0.00	0.00
16,200.00	89.47	359.68	12,406.54	4,051.70	832.10	4,092.34	0.00	0.00	0.00
16,300.00	89.47	359.68	12,407.46	4,151.70	831.53	4,192.14	0.00	0.00	0.00
16,400.00	89.47	359.68	12,408.37	4,251.69	830.97	4,291.94	0.00	0.00	0.00
16,500.00	89.47	359.68	12,409.29	4,351.69	830.41	4,391.74	0.00	0.00	0.00
16,600.00	89.47	359.68	12,410.21	4,451.68	829.85	4,491.54	0.00	0.00	0.00
16,700.00	89.47	359.68	12,411.13	4,551.67	829.29	4,591.35	0.00	0.00	0.00
16,800.00	89.47	359.68	12,412.04	4,651.67	828.73	4,691.15	0.00	0.00	0.00
16,900.00	89.47	359.68	12,412.96	4,751.66	828.16	4,790.95	0.00	0.00	0.00
17,000.00	89.47	359.68	12,413.88	4,851.66	827.60	4,890.75	0.00	0.00	0.00
17,100.00	89.47	359.68	12,414.79	4,951.65	827.04	4,990.55	0.00	0.00	0.00
17,200.00	89.47	359.68	12,415.71	5,051.65	826.48	5,090.35	0.00	0.00	0.00
17,300.00	89.47	359.68	12,416.63	5,151.64	825.92	5,190.16	0.00	0.00	0.00
17,400.00	89.47	359.68	12,417.55	5,251.63	825.35	5,289.96	0.00	0.00	0.00
17,500.00	89.47	359.68	12,418.46	5,351.63	824.79	5,389.76	0.00	0.00	0.00
17,600.00	89.47	359.68	12,419.38	5,451.62	824.23	5,489.56	0.00	0.00	0.00
17,700.00	89.47	359.68	12,420.30	5,551.62	823.67	5,589.36	0.00	0.00	0.00
17,800.00	89.47	359.68	12,421.21	5,651.61	823.11	5,689.17	0.00	0.00	0.00
17,900.00	89.47	359.68	12,422.13	5,751.60	822.55	5,788.97	0.00	0.00	0.00
18,000.00	89.47	359.68	12,423.05	5,851.60	821.98	5,888.77	0.00	0.00	0.00
18,100.00	89.47	359.68	12,423.96	5,951.59	821.42	5,988.57	0.00	0.00	0.00
18,200.00	89.47	359.68	12,424.88	6,051.59	820.86	6,088.37	0.00	0.00	0.00
18,300.00	89.47	359.68	12,425.80	6,151.58	820.30	6,188.17	0.00	0.00	0.00
18,400.00	89.47	359.68	12,426.72	6,251.58	819.74	6,287.98	0.00	0.00	0.00
18,500.00	89.47	359.68	12,427.63	6,351.57	819.18	6,387.78	0.00	0.00	0.00
18,600.00	89.47	359.68	12,428.55	6,451.56	818.61	6,487.58	0.00	0.00	0.00
18,700.00	89.47	359.68	12,429.47	6,551.56	818.05	6,587.38	0.00	0.00	0.00
18,800.00	89.47	359.68	12,430.38	6,651.55	817.49	6,687.18	0.00	0.00	0.00
18,900.00	89.47	359.68	12,431.30	6,751.55	816.93	6,786.99	0.00	0.00	0.00
19,000.00	89.47	359.68	12,432.22	6,851.54	816.37	6,886.79	0.00	0.00	0.00
19,100.00	89.47	359.68	12,433.14	6,951.54	815.80	6,986.59	0.00	0.00	0.00
19,200.00	89.47	359.68	12,434.05	7,051.53	815.24	7,086.39	0.00	0.00	0.00
19,300.00	89.47	359.68	12,434.97	7,151.52	814.68	7,186.19	0.00	0.00	0.00
19,400.00	89.47	359.68	12,435.89	7,251.52	814.12	7,285.99	0.00	0.00	0.00
19,500.00	89.47	359.68	12,436.80	7,351.51	813.56	7,385.80	0.00	0.00	0.00
19,600.00	89.47	359.68	12,437.72	7,451.51	813.00	7,485.60	0.00	0.00	0.00
19,700.00	89.47	359.68	12,438.64	7,551.50	812.43	7,585.40	0.00	0.00	0.00
19,800.00	89.47	359.68	12,439.56	7,651.49	811.87	7,685.20	0.00	0.00	0.00
19,900.00	89.47	359.68	12,440.47	7,751.49	811.31	7,785.00	0.00	0.00	0.00
20,000.00	89.47	359.68	12,441.39	7,851.48	810.75	7,884.80	0.00	0.00	0.00
20,100.00	89.47	359.68	12,442.31	7,951.48	810.19	7,984.61	0.00	0.00	0.00
20,200.00	89.47	359.68	12,443.22	8,051.47	809.63	8,084.41	0.00	0.00	0.00
20,300.00	89.47	359.68	12,444.14	8,151.47	809.06	8,184.21	0.00	0.00	0.00
20,400.00	89.47	359.68	12,445.06	8,251.46	808.50	8,284.01	0.00	0.00	0.00
20,500.00	89.47	359.68	12,445.97	8,351.45	807.94	8,383.81	0.00	0.00	0.00
20,600.00	89.47	359.68	12,446.89	8,451.45	807.38	8,483.62	0.00	0.00	0.00
20,700.00	89.47	359.68	12,447.81	8,551.44	806.82	8,583.42	0.00	0.00	0.00
20,800.00	89.47	359.68	12,448.73	8,651.44	806.26	8,683.22	0.00	0.00	0.00
20,900.00	89.47	359.68	12,449.64	8,751.43	805.69	8,783.02	0.00	0.00	0.00
21,000.00	89.47	359.68	12,450.56	8,851.43	805.13	8,882.82	0.00	0.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Precious 30_18 Federal Com 46H
Company:	ENGINEERING DESIGNS	**TVD Reference:**	RKB=26.5' @ 3375.10ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	RKB=26.5' @ 3375.10ft
Site:	Precious 30_18	**North Reference:**	Grid
Well:	Precious 30_18 Federal Com 46H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

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)
21,100.00	89.47	359.68	12,451.48	8,951.42	804.57	8,982.62	0.00	0.00	0.00
21,200.00	89.47	359.68	12,452.39	9,051.41	804.01	9,082.43	0.00	0.00	0.00
21,300.00	89.47	359.68	12,453.31	9,151.41	803.45	9,182.23	0.00	0.00	0.00
21,400.00	89.47	359.68	12,454.23	9,251.40	802.88	9,282.03	0.00	0.00	0.00
21,500.00	89.47	359.68	12,455.15	9,351.40	802.32	9,381.83	0.00	0.00	0.00
21,600.00	89.47	359.68	12,456.06	9,451.39	801.76	9,481.63	0.00	0.00	0.00
21,700.00	89.47	359.68	12,456.98	9,551.38	801.20	9,581.44	0.00	0.00	0.00
21,800.00	89.47	359.68	12,457.90	9,651.38	800.64	9,681.24	0.00	0.00	0.00
21,900.00	89.47	359.68	12,458.81	9,751.37	800.08	9,781.04	0.00	0.00	0.00
22,000.00	89.47	359.68	12,459.73	9,851.37	799.51	9,880.84	0.00	0.00	0.00
22,100.00	89.47	359.68	12,460.65	9,951.36	798.95	9,980.64	0.00	0.00	0.00
22,200.00	89.47	359.68	12,461.57	10,051.36	798.39	10,080.44	0.00	0.00	0.00
22,300.00	89.47	359.68	12,462.48	10,151.35	797.83	10,180.25	0.00	0.00	0.00
22,400.00	89.47	359.68	12,463.40	10,251.34	797.27	10,280.05	0.00	0.00	0.00
22,500.00	89.47	359.68	12,464.32	10,351.34	796.71	10,379.85	0.00	0.00	0.00
22,600.00	89.47	359.68	12,465.23	10,451.33	796.14	10,479.65	0.00	0.00	0.00
22,700.00	89.47	359.68	12,466.15	10,551.33	795.58	10,579.45	0.00	0.00	0.00
22,800.00	89.47	359.68	12,467.07	10,651.32	795.02	10,679.25	0.00	0.00	0.00
22,900.00	89.47	359.68	12,467.98	10,751.32	794.46	10,779.06	0.00	0.00	0.00
23,000.00	89.47	359.68	12,468.90	10,851.31	793.90	10,878.86	0.00	0.00	0.00
23,100.00	89.47	359.68	12,469.82	10,951.30	793.34	10,978.66	0.00	0.00	0.00
23,200.00	89.47	359.68	12,470.74	11,051.30	792.77	11,078.46	0.00	0.00	0.00
23,300.00	89.47	359.68	12,471.65	11,151.29	792.21	11,178.26	0.00	0.00	0.00
23,400.00	89.47	359.68	12,472.57	11,251.29	791.65	11,278.07	0.00	0.00	0.00
23,500.00	89.47	359.68	12,473.49	11,351.28	791.09	11,377.87	0.00	0.00	0.00
23,600.00	89.47	359.68	12,474.40	11,451.28	790.53	11,477.67	0.00	0.00	0.00
23,700.00	89.47	359.68	12,475.32	11,551.27	789.96	11,577.47	0.00	0.00	0.00
23,800.00	89.47	359.68	12,476.24	11,651.26	789.40	11,677.27	0.00	0.00	0.00
23,900.00	89.47	359.68	12,477.16	11,751.26	788.84	11,777.07	0.00	0.00	0.00
24,000.00	89.47	359.68	12,478.07	11,851.25	788.28	11,876.88	0.00	0.00	0.00
24,100.00	89.47	359.68	12,478.99	11,951.25	787.72	11,976.68	0.00	0.00	0.00
24,200.00	89.47	359.68	12,479.91	12,051.24	787.16	12,076.48	0.00	0.00	0.00
24,300.00	89.47	359.68	12,480.82	12,151.23	786.59	12,176.28	0.00	0.00	0.00
24,400.00	89.47	359.68	12,481.74	12,251.23	786.03	12,276.08	0.00	0.00	0.00
24,500.00	89.47	359.68	12,482.66	12,351.22	785.47	12,375.89	0.00	0.00	0.00
24,600.00	89.47	359.68	12,483.58	12,451.22	784.91	12,475.69	0.00	0.00	0.00
24,700.00	89.47	359.68	12,484.49	12,551.21	784.35	12,575.49	0.00	0.00	0.00
24,800.00	89.47	359.68	12,485.41	12,651.21	783.79	12,675.29	0.00	0.00	0.00
24,900.00	89.47	359.68	12,486.33	12,751.20	783.22	12,775.09	0.00	0.00	0.00
25,000.00	89.47	359.68	12,487.24	12,851.19	782.66	12,874.89	0.00	0.00	0.00
25,100.00	89.47	359.68	12,488.16	12,951.19	782.10	12,974.70	0.00	0.00	0.00
25,200.00	89.47	359.68	12,489.08	13,051.18	781.54	13,074.50	0.00	0.00	0.00
25,300.00	89.47	359.68	12,489.99	13,151.18	780.98	13,174.30	0.00	0.00	0.00
25,400.00	89.47	359.68	12,490.91	13,251.17	780.41	13,274.10	0.00	0.00	0.00
25,500.00	89.47	359.68	12,491.83	13,351.17	779.85	13,373.90	0.00	0.00	0.00
25,600.00	89.47	359.68	12,492.75	13,451.16	779.29	13,473.71	0.00	0.00	0.00
25,700.00	89.47	359.68	12,493.66	13,551.15	778.73	13,573.51	0.00	0.00	0.00
25,800.00	89.47	359.68	12,494.58	13,651.15	778.17	13,673.31	0.00	0.00	0.00
25,856.72	89.47	359.68	12,495.10	13,707.87	777.85	13,729.92	0.00	0.00	0.00

Database:	HOPSPP	**Local Co-ordinate Reference:**	Well Precious 30_18 Federal Com 46H
Company:	ENGINEERING DESIGNS	**TVD Reference:**	RKB=26.5' @ 3375.10ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	**MD Reference:**	RKB=26.5' @ 3375.10ft
Site:	Precious 30_18	**North Reference:**	Grid
Well:	Precious 30_18 Federal Com 46H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permitting Plan		

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
FTP (Precious 30_18 - plan hits target center - Point	0.00	0.00	12,375.10	623.64	851.35	461,790.50	703,159.10	32° 16' 6.426213 N	103° 48' 35.208156
PBHL (Precious 30_18 - plan hits target center - Point	0.00	0.00	12,495.10	13,707.87	777.85	474,873.90	703,085.60	32° 18' 15.897237 N	103° 48' 35.320464

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
6,455.00	6,455.00	0.00	0.00	Build 2.00°/100'
6,955.16	6,952.63	0.15	43.55	Hold 10.00° Tangent
11,270.84	11,202.70	2.81	793.20	Turn 2.00°/100'
11,976.99	11,901.66	64.65	854.49	KOP, Build 10.00°/100'
12,771.74	12,375.10	623.64	851.35	Landing Point
25,856.72	12,495.10	13,707.87	777.85	TD at 25856.72' MD

Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: Precious 30_18
Well: Precious 30_18 Federal Com 46H
Wellbore: Wellbore #1
Design: Permitting Plan

PROJECT DETAILS: NM DIRECTIONAL PLANS (NAD 1983)

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

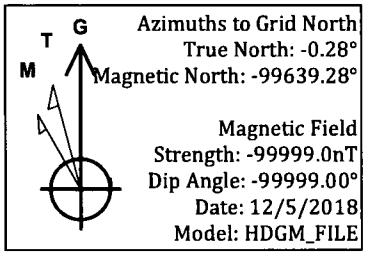
WELL DETAILS: Precious 30_18 Federal Com 46H

Ground Level: 3348.60

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	461166.90	702307.80	32° 16' 0.296316 N	103° 48' 45.158432 W

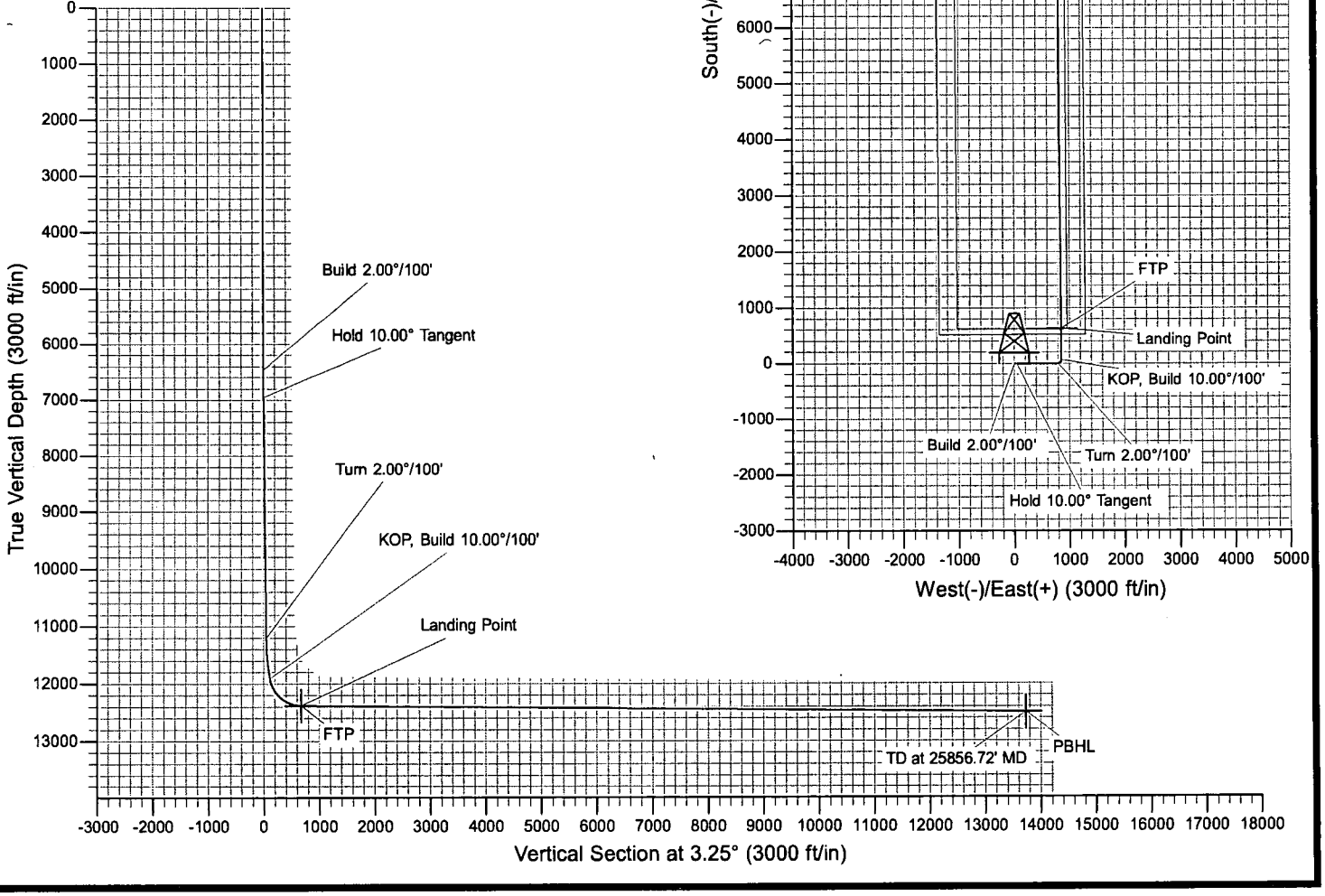
SECTION DETAILS

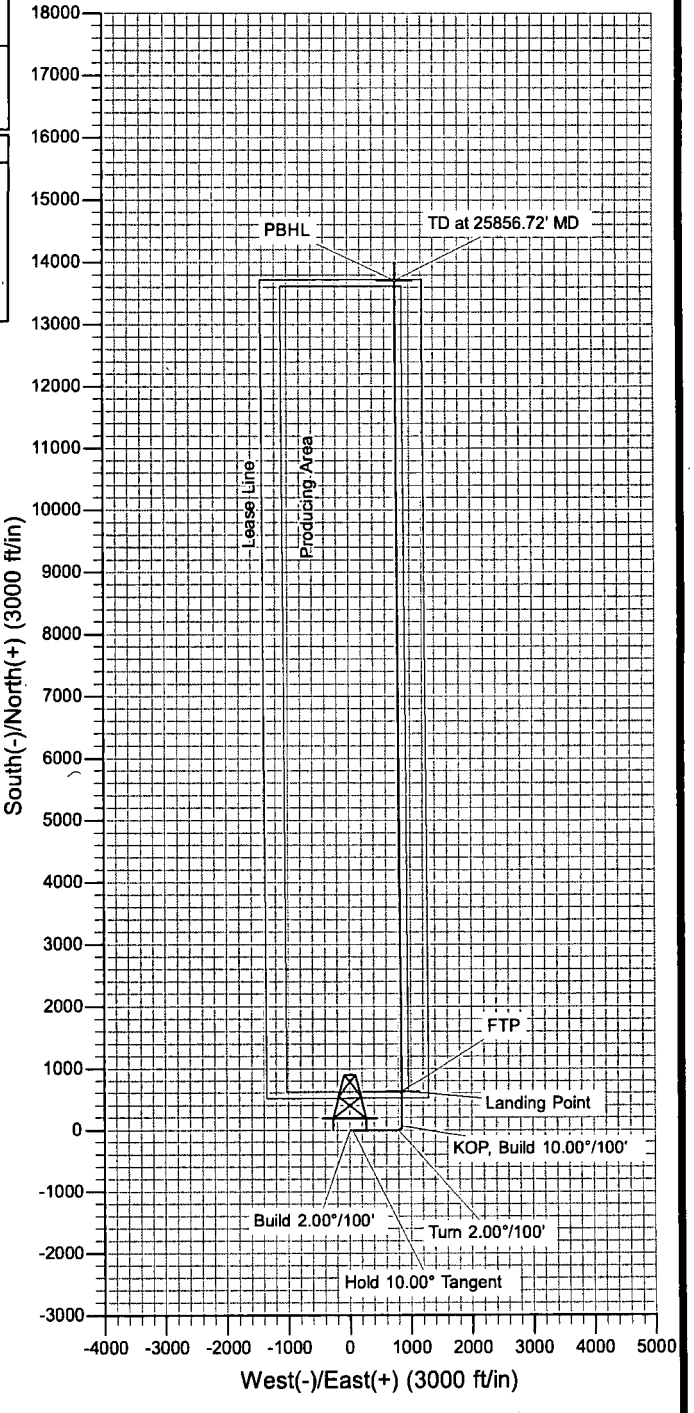
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6455.00	0.00	0.00	6455.00	0.00	0.00	0.00	0.00	0.00	Build 2.00°/100'
6955.16	10.00	89.80	6952.63	0.15	43.55	2.00	89.80	2.62	Hold 10.00° Tangent
11270.84	10.00	89.80	11202.70	2.81	793.20	0.00	0.00	47.74	Turn 2.00°/100'
11976.99	10.00	359.68	11901.66	64.65	854.49	2.00	-134.63	112.96	KOP, Build 10.00°/100'
12771.74	89.47	359.68	12375.10	623.64	851.35	10.00	0.00	670.87	Landing Point
25856.72	89.47	359.68	12495.10	13707.87	777.85	0.00	0.00	13729.92	TD at 25856.72' MD



Azimuths to Grid North
True North: -0.28°
Magnetic North: -99639.28°

Magnetic Field
Strength: -99999.0nT
Dip Angle: -99999.00°
Date: 12/5/2018
Model: HDGM_FILE





Oxy USA Inc. - Precious 30-18 Federal Com 46H

1. Geologic Formations

TVD of target	12495'	Pilot Hole Depth	N/A
MD at TD:	25856'	Deepest Expected fresh water:	383'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	383	
Salado	710	Salt
Castile	2,605	Salt
Lamar/Delaware	4,083	Oil/Gas/Brine
Bell Canyon	4,121	Oil/Gas/Brine
Cherry Canyon	5,003	Oil/Gas/Brine
Brushy Canyon	6,283	Losses
Bone Spring	7,965	Oil/Gas
1st Bone Spring	8,998	Oil/Gas
2nd Bone Spring	9,639	Oil/Gas
3rd Bone Spring	10,821	Oil/Gas
Wolfcamp	**11,298**	**Oil/Gas**

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

2. Casing Program

Hole Size (in)	Casing Interval		Csg. Size	Weight	Grade	Conn.	SF	SF Burst	Buoyant Body SF	Buoyant Joint SF
	From (ft)	To (ft)	(in)	(lbs)			Collapse		Tension	Tension
17.5	0	433	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
12.25	0	4133	9.625	40	L-80	BTC	1.125	1.2	1.4	1.4
8.75	0	11876	7.625	26.4	L-80 HC	SF (0 ft to 6000 ft) FJ (6000 ft to 11876 ft)	1.125	1.2	1.4	1.4
6.75	0	25856	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 cancelation cone and not pump the second stage.

*Oxy requests the option to run production casing with DQX, SF TORQ, and/or DQW TORQ connections to accommodate hole conditions or drilling operations.

Oxy USA Inc. - Precious 30-18 Federal Com 46H

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

	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
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 3rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	Y
If yes, are the first three strings cemented to surface?	Y
Is 2nd string set 100' to 600' below the base of salt?	Y
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 String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	464	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate (Lead)	884	12.9	1.88	10.130	14:22	Pozzolan Cement, Retarder
Intermediate (Tail)	155	14.8	1.33	6.370	12:45	Class C Cement, Accelerator
Intermediate II 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate II 1st Stage (Tail)	342	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Salt
Intermediate II 2nd Stage (Tail Slurry) to be pumped as Bradenhead Squeeze from surface, down the Intermediate annulus						
Intermediate II 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate II 2nd Stage (Tail)	397	12.9	1.92	10.410	23:10	Class C Cement, Accelerator
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Production (Tail)	1060	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	433	100%
Intermediate (Lead)	0	3633	50%
Intermediate (Tail)	3633	4133	20%
Intermediate II 1st Stage (Lead)	N/A	N/A	N/A
Intermediate II 1st Stage (Tail)	6533	11876	5%
Intermediate II 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate II 2nd Stage (Tail)	0	6533	25%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	11376	25856	20%

Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).
2. Land casing.
3. Fill pipe with kill weight fluid, and confirm well is static.
    a. If well is not static notify BLM and kill well.
    b. Once well is static notify BLM with intent to proceed with nipple down and offline cementing.
4. Set and pressure test annular packoff.
5. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange. If any barrier fails to test, the BOP stack will not be nippled down until after the cement job is completed.
6. Skid rig to next well on pad.
7. Confirm well is static before removing cap flange.
8. If well is not static notify BLM and kill well prior to cementing or nippling up for further remediation.

9. Install offline cement tool.
10. Rig up cement equipment.
    a. Notify BLM prior to cement job.
11. Perform cement job.
12. Confirm well is static and floats are holding after cement job.
13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

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"	3M	Annular	✓	70% of working pressure
		3M	Blind Ram	✓	250 psi / 3000 psi
			Pipe Ram		
			Double Ram	✓	
			Other*		
8.75" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 5000 psi
			Pipe Ram		
			Double Ram	✓	
			Other*		
6.75" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		10M	Blind Ram	✓	250 psi / 10000 psi
			Pipe Ram		
			Double Ram	✓	
			Other*		

*Specify if additional ram is utilized.

Oxy will utilize a 5M annular with a 10M BOPE stack. The 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.

BOP Break Testing Request

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions:

- After a full BOP test is conducted on the first well on the pad.
- When skidding to drill an intermediate section that the casing point is either shallower than the 3rd Bone Spring or 10,000 TVD.
- Full BOP test will be required prior to drilling any production hole.

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	433	Water-Based Mud	8.6-8.8	40-60	N/C
433	4133	Saturated Brine-Based Mud	9.8-10.0	35-45	N/C
4133	11876	Water-Based or Oil-Based Mud	8.0-9.6	38-50	N/C
11876	25856	Water-Based or Oil-Based Mud	9.5-13.5	38-50	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.

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	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	8772 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	180°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	H2S is present
Y	H2S Plan attached

8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe. • We plan to drill the two 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. • 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: 1862.9 bbls.

Attachments
_x__ Directional Plan
_x__ H2S Contingency Plan
_x__ Flex III Attachments
_x__ Spudder Rig Attachment
_x__ Premium Connection Specs

9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Linsay Earle	Drilling Engineer	713-350-4921	832-596-5507
Margaret Giltner	Drilling Engineer Supervisor	713-366-5026	210-683-8480
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Diego Tellez	Drilling Manager	713-350-4602	713-303-4932

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, 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, NM 87505

Submit Original to Appropriate District Office

GAS CAPTURE PLAN

Date: 01-15-2019

☒ Original

Operator & OGRID No.: OXY USA INC. - 16696

☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared orVented	Comments
Arkenstone 31 Federal 1H	Pending	D-1-31-23S-31E	130 FNL 895 FWL	2300	0	
Arkenstone 31 Federal 2H	Pending	D-1-31-23S-31E	130 FNL 930 FWL	2300	0	
Arkenstone 31 Federal 3H	Pending	B-31-23S-31E	130 FNL 2613 FEL	2300	0	
Arkenstone 31 Federal 4H	Pending	B-31-23S-31E	130 FNL 2578 FEL	2300	0	
Arkenstone 31 Federal 7H	Pending	C-31-23S-31E	130 FNL 1425 FWL	2300	0	
Arkenstone 31 Federal 8H	Pending	C-31-23S-31E	130 FNL 1460 FWL	2300	0	
Arkenstone 31 Federal 171H	Pending	D-1-31-23S-31E	130 FNL 1160 FWL	2700	0	
Arkenstone 31 Federal 172H	Pending	D-1-31-23S-31E	130 FNL 1195 FWL	2700	0	
Arkenstone 31 Federal 173H	Pending	C-31-23S-31E	130 FNL 2465 FWL	2700	0	
Arkenstone 31 Federal 174H	Pending	C-31-23S-31E	130 FNL 2500 FWL	2700	0	
Arkenstone 31 Federal Com 5H	Pending	A-31-23S-31E	130 FNL 865 FEL	2300	0	
Arkenstone 31 Federal Com 6H	Pending	A-31-23S-31E	100 FNL 830 FEL	2300	0	
Arkenstone 31 Federal Com 9H	Pending	B-31-23S-31E	280 FNL 2150 FEL	2300	0	
Arkenstone 31 Federal Com 10H	Pending	B-31-23S-31E	350 FNL 2150 FEL	2300	0	
Arkenstone 31 Federal Com 175H	Pending	A-31-23S-31E	100 FNL 1130 FEL	2700	0	
Arkenstone 31 Federal Com 176H	Pending	A-31-23S-31E	100 FNL 1095 FEL	2700	0	
Precious 30_18 Federal Com 1H	Pending	D-1-31-23S-31E	570 FNL 550 FWL	3900	0	
Precious 30_18 Federal Com 2H	Pending	D-1-31-23S-31E	570 FNL 585 FWL	3900	0	
Precious 30_18 Federal Com 3H	Pending	B-31-23S-31E	570 FNL 2635 FEL	3900	0	
Precious 30_18 Federal Com 4H	Pending	B-31-23S-31E	570 FNL 2600 FEL	3900	0	
Precious 30_18 Federal Com 5H	Pending	A-31-23S-31E	520 FNL 800 FEL	3900	0	
Precious 30_18 Federal Com 6H	Pending	A-31-23S-31E	520 FNL 765 FEL	3900	0	
Precious 30_18 Federal Com 7H	Pending	C-31-23S-31E	570 FNL 1345 FWL	3900	0	
Precious 30_18 Federal Com 8H	Pending	C-31-23S-31E	570 FNL 1380 FWL	3900	0	
Precious 30_18 Federal Com 9H	Pending	B-31-23S-31E	520 FNL 1330 FEL	3900	0	
Precious 30_18 Federal Com 10H	Pending	A-31-23S-31E	520 FNL 1295 FEL	3900	0	
Precious 30_18 Federal Com 11H	Pending	C-31-23S-31E	130 FNL 1935 FWL	1800	0	
Precious 30_18 Federal Com 12H	Pending	C-31-23S-31E	130 FNL 1970 FWL	1800	0	
Precious 30_18 Federal Com 13H	Pending	B-31-23S-31E	100 FNL 1395 FEL	1800	0	
Precious 30_18 Federal Com 14H	Pending	B-31-23S-31E	100 FNL 1360 FEL	1800	0	
Precious 30_18 Federal Com 21H	Pending	D-1-31-23S-31E	570 FNL 285 FWL	3000	0	
Precious 30_18 Federal Com 22H	Pending	D-1-31-23S-31E	570 FNL 1080 FWL	3000	0	
Precious 30_18 Federal Com 23H	Pending	C-31-23S-31E	130 FNL 2200 FWL	3000	0	
Precious 30_18 Federal Com 24H	Pending	C-31-23S-31E	130 FNL 2235 FWL	3000	0	

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Precious 30_18 Federal Com 25H	Pending	A-31-23S-31E	100 FNL 600 FEL	3000	0	
Precious 30_18 Federal Com 26H	Pending	A-31-23S-31E	100 FNL 565 FEL	3000	0	
Precious 30_18 Federal Com 41H	Pending	D-1-31-23S-31E	570 FNL 320 FWL	4000	0	
Precious 30_18 Federal Com 42H	Pending	D-1-31-23S-31E	570 FNL 1115 FWL	4000	0	
Precious 30_18 Federal Com 43H	Pending	C-31-23S-31E	570 FNL 2178 FWL	4000	0	
Precious 30_18 Federal Com 44H	Pending	C-31-23S-31E	570 FNL 2213 FWL	4000	0	
Precious 30_18 Federal Com 45H	Pending	A-31-23S-31E	520 FNL 535 FEL	4000	0	
Precious 30_18 Federal Com 46H	Pending	A-31-23S-31E	500 FNL 500 FEL	4000	0	
Precious 30_18 Federal Com 171H	Pending	D-1-31-23S-31E	570 FNL 815 FWL	3100	0	
Precious 30_18 Federal Com 172H	Pending	D-1-31-23S-31E	570 FNL 850 FWL	3100	0	
Precious 30_18 Federal Com 173H	Pending	C-31-23S-31E	570 FNL 2443 FWL	3100	0	
Precious 30_18 Federal Com 174H	Pending	C-31-23S-31E	570 FNL 2478 FWL	3100	0	
Precious 30_18 Federal Com 175H	Pending	A-31-23S-31E	520 FNL 1065 FEL	3100	0	
Precious 30_18 Federal Com 176H	Pending	A-31-23S-31E	520 FNL 1030 FEL	3100	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise's Processing Plant located in Sec. 36, Twn. 24S, Rng. 30E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Enterprise system at that time. Based on current information, it is OXY's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

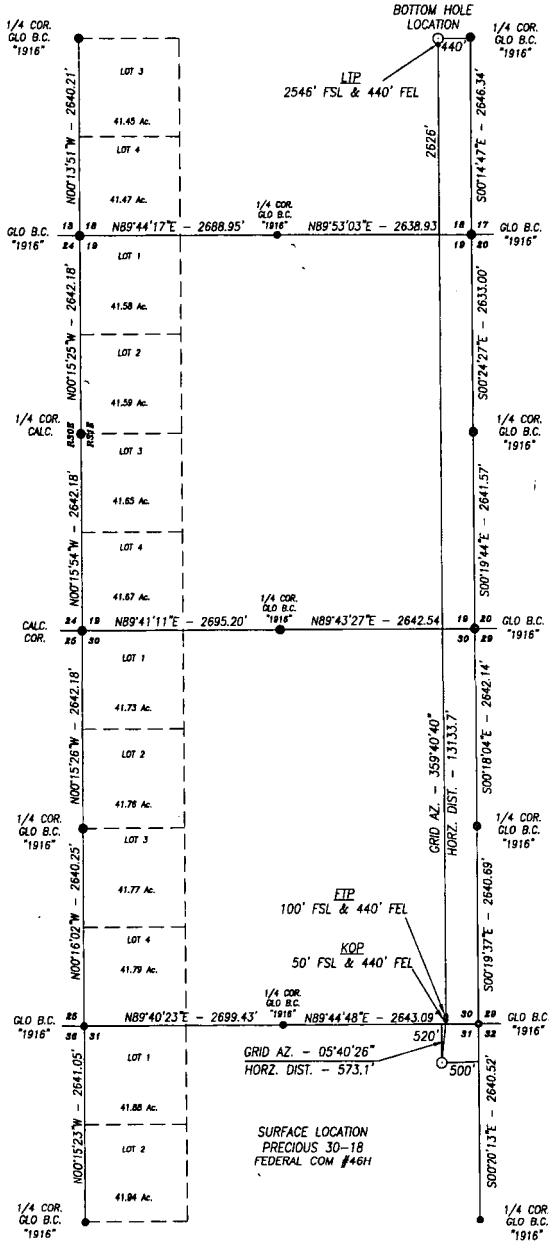
Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,

EDDY COUNTY, NEW MEXICO.



BASIS OF BEARING:
BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE GRID VALUES.

CERTIFICATION

I, CHAD HARCROW, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

CHAD L. HARCROW NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR

Chad Harcrow 1/3/19

CHAD HARCROW N.M.P.S. NO. 17777 DATE

HARCROW SURVEYING, LLC
2314 W. MAIN ST, ARTESIA, N.M. 88210
PH: (575) 746-2158
c.harcrow@harcrowsurveying.com

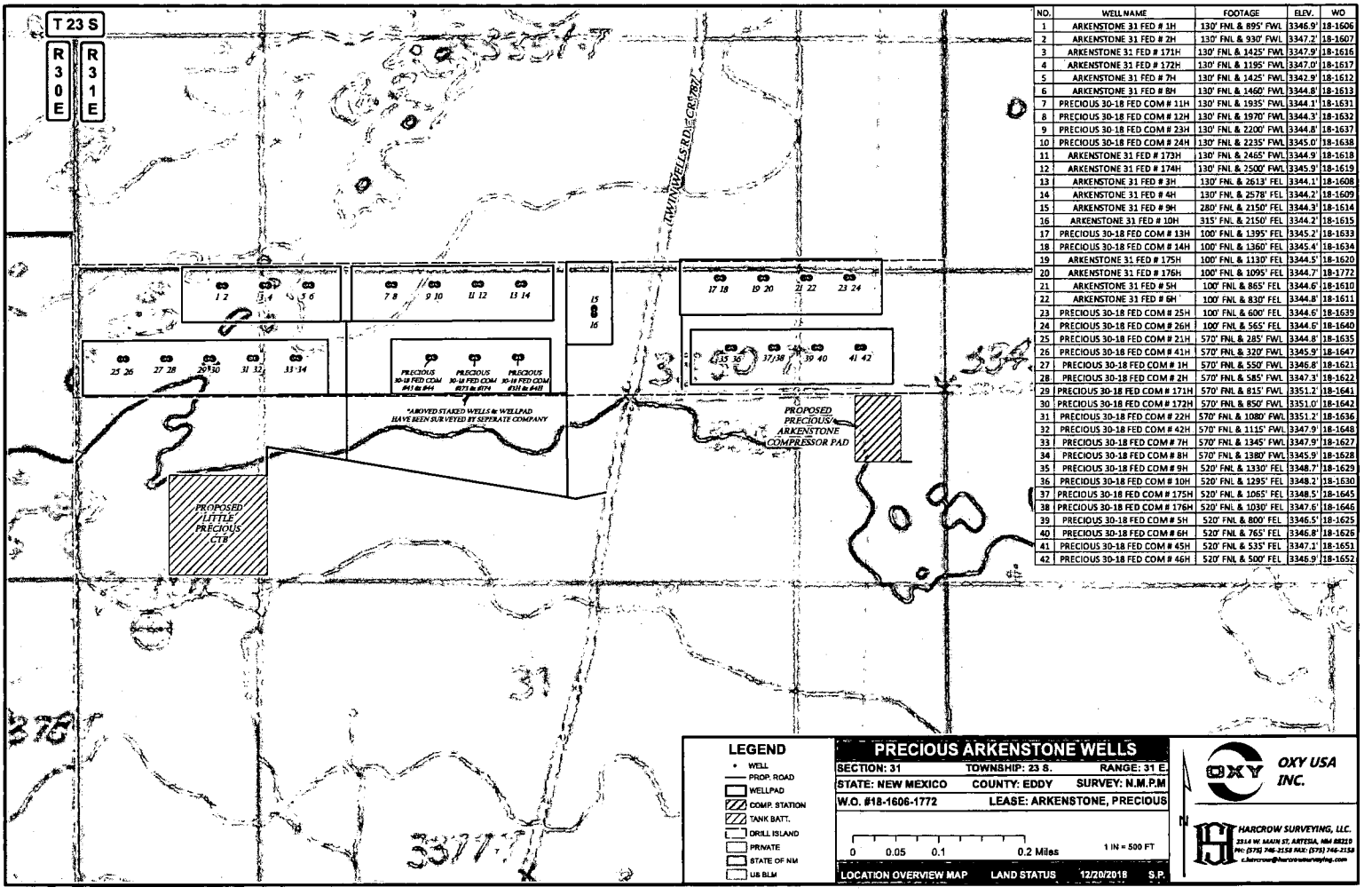
2000 0 2000 4000 FEET

SCALE: 1"=2000'

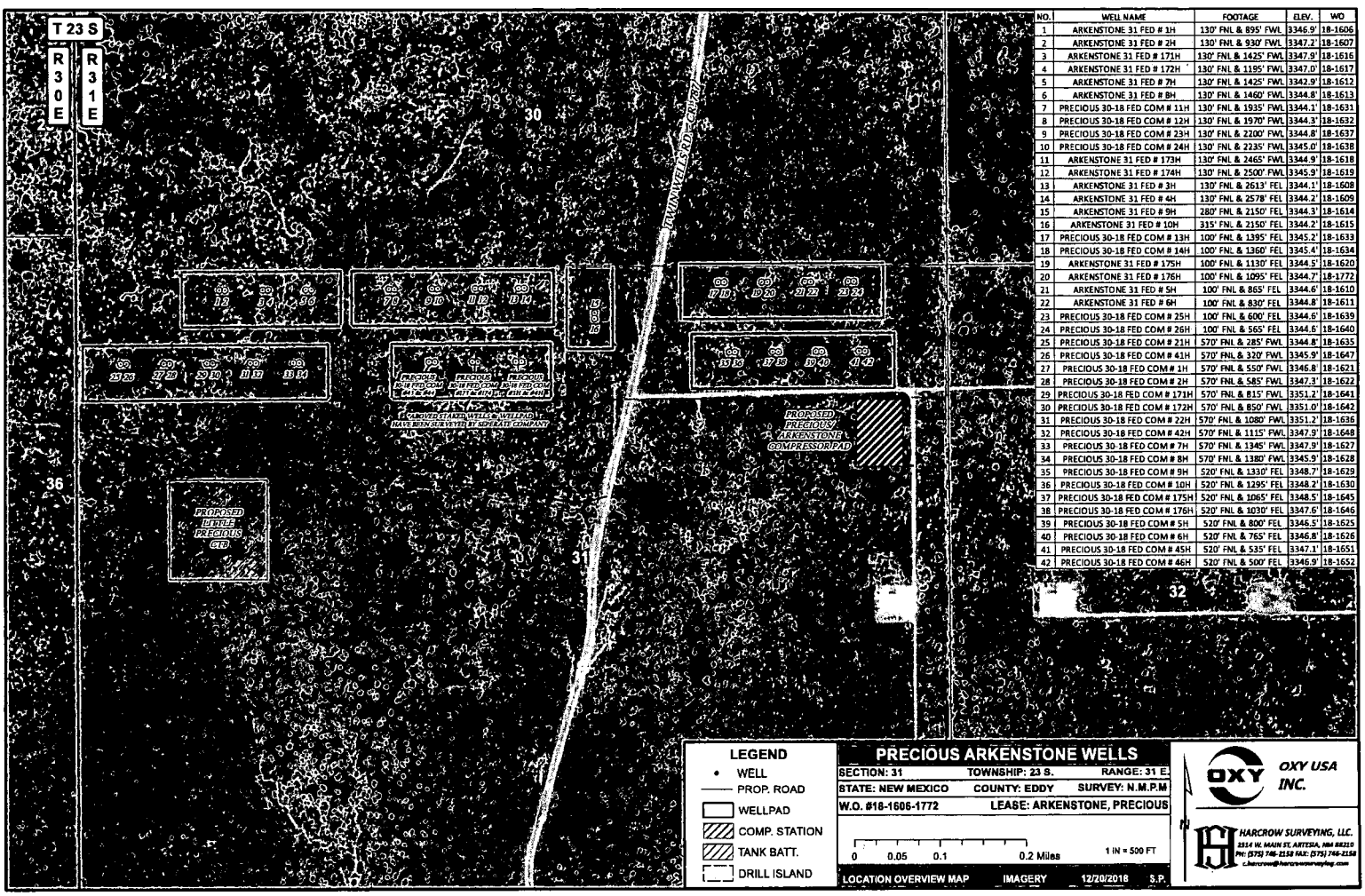
OXY USA INC.

PRECIOUS 30-18 FEDERAL COM #46H
SECTION 31, TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO

SURVEY DATE: SEPTEMBER 18, 2018	DRILL PATH
DRAFTING DATE: DECEMBER 17, 2018	PAGE 1 OF 1
APPROVED BY: CH / DRAWN BY: JR	FILE: 18-1652



NO.	WELL NAME	FOOTAGE	ELEV.	WO
1	ARKENSTONE 31 FED # 1H	130' FNL & 895' FWL	3346.9'	18-1606
2	ARKENSTONE 31 FED # 2H	130' FNL & 930' FWL	3347.2'	18-1607
3	ARKENSTONE 31 FED # 171H	130' FNL & 1425' FWL	3347.9'	18-1616
4	ARKENSTONE 31 FED # 172H	130' FNL & 1195' FWL	3347.0'	18-1617
5	ARKENSTONE 31 FED # 7H	130' FNL & 1425' FWL	3342.9'	18-1612
6	ARKENSTONE 31 FED # 8H	130' FNL & 1460' FWL	3344.8'	18-1613
7	PRECIOUS 30-18 FED COM # 11H	130' FNL & 1935' FWL	3344.1'	18-1631
8	PRECIOUS 30-18 FED COM # 12H	130' FNL & 1970' FWL	3344.3'	18-1632
9	PRECIOUS 30-18 FED COM # 23H	130' FNL & 2200' FWL	3344.8'	18-1637
10	PRECIOUS 30-18 FED COM # 24H	130' FNL & 2235' FWL	3345.0'	18-1638
11	ARKENSTONE 31 FED # 173H	130' FNL & 2465' FWL	3344.9'	18-1618
12	ARKENSTONE 31 FED # 174H	130' FNL & 2500' FWL	3345.9'	18-1619
13	ARKENSTONE 31 FED # 3H	130' FNL & 2613' FEL	3344.1'	18-1608
14	ARKENSTONE 31 FED # 4H	130' FNL & 2578' FEL	3344.2'	18-1609
15	ARKENSTONE 31 FED # 9H	280' FNL & 2150' FEL	3344.3'	18-1614
16	ARKENSTONE 31 FED # 10H	315' FNL & 2150' FEL	3344.2'	18-1615
17	PRECIOUS 30-18 FED COM # 13H	100' FNL & 1395' FEL	3345.2'	18-1633
18	PRECIOUS 30-18 FED COM # 14H	100' FNL & 1360' FEL	3345.4'	18-1634
19	ARKENSTONE 31 FED # 175H	100' FNL & 1130' FEL	3344.5'	18-1620
20	ARKENSTONE 31 FED # 176H	100' FNL & 1095' FEL	3344.7'	18-1772
21	ARKENSTONE 31 FED # 5H	100' FNL & 865' FEL	3344.6'	18-1610
22	ARKENSTONE 31 FED # 6H	100' FNL & 830' FEL	3344.8'	18-1611
23	PRECIOUS 30-18 FED COM # 25H	100' FNL & 600' FEL	3344.6'	18-1639
24	PRECIOUS 30-18 FED COM # 26H	100' FNL & 565' FEL	3344.6'	18-1640
25	PRECIOUS 30-18 FED COM # 21H	570' FNL & 285' FWL	3344.8'	18-1635
26	PRECIOUS 30-18 FED COM # 41H	570' FNL & 320' FWL	3345.9'	18-1647
27	PRECIOUS 30-18 FED COM # 1H	570' FNL & 550' FWL	3346.8'	18-1621
28	PRECIOUS 30-18 FED COM # 2H	570' FNL & 585' FWL	3347.3'	18-1622
29	PRECIOUS 30-18 FED COM # 171H	570' FNL & 815' FWL	3351.2'	18-1641
30	PRECIOUS 30-18 FED COM # 172H	570' FNL & 850' FWL	3351.0'	18-1642
31	PRECIOUS 30-18 FED COM # 22H	570' FNL & 1080' FWL	3351.2'	18-1636
32	PRECIOUS 30-18 FED COM # 42H	570' FNL & 1115' FWL	3347.9'	18-1648
33	PRECIOUS 30-18 FED COM # 7H	570' FNL & 1345' FWL	3347.9'	18-1627
34	PRECIOUS 30-18 FED COM # 8H	570' FNL & 1380' FWL	3345.9'	18-1628
35	PRECIOUS 30-18 FED COM # 9H	520' FNL & 1330' FEL	3348.7'	18-1629
36	PRECIOUS 30-18 FED COM # 10H	520' FNL & 1295' FEL	3348.2'	18-1630
37	PRECIOUS 30-18 FED COM # 175H	520' FNL & 1065' FEL	3348.5'	18-1645
38	PRECIOUS 30-18 FED COM # 176H	520' FNL & 1030' FEL	3347.6'	18-1646
39	PRECIOUS 30-18 FED COM # 5H	520' FNL & 800' FEL	3346.5'	18-1625
40	PRECIOUS 30-18 FED COM # 6H	520' FNL & 765' FEL	3346.8'	18-1626
41	PRECIOUS 30-18 FED COM # 45H	520' FNL & 535' FEL	3347.1'	18-1651
42	PRECIOUS 30-18 FED COM # 46H	520' FNL & 500' FEL	3346.9'	18-1652



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6	ARKENSTONE 31 FED # 8H	130' FNL & 1460' FWL	3344.8'	18-1613
7	PRECIOUS 30-18 FED COM # 11H	130' FNL & 1935' FWL	3344.1'	18-1631
8	PRECIOUS 30-18 FED COM # 12H	130' FNL & 1970' FWL	3344.3'	18-1632
9	PRECIOUS 30-18 FED COM # 23H	130' FNL & 2200' FWL	3344.8'	18-1637
10	PRECIOUS 30-18 FED COM # 24H	130' FNL & 2235' FWL	3345.0'	18-1638
11	ARKENSTONE 31 FED # 173H	130' FNL & 2465' FWL	3344.9'	18-1618
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28	PRECIOUS 30-18 FED COM # 2H	570' FNL & 585' FWL	3347.3'	18-1622
29	PRECIOUS 30-18 FED COM # 171H	570' FNL & 815' FWL	3351.2'	18-1641
30	PRECIOUS 30-18 FED COM # 172H	570' FNL & 850' FWL	3351.0'	18-1642
31	PRECIOUS 30-18 FED COM # 22H	570' FNL & 1080' FWL	3351.2'	18-1636
32	PRECIOUS 30-18 FED COM # 42H	570' FNL & 1115' FWL	3347.9'	18-1648
33	PRECIOUS 30-18 FED COM # 7H	570' FNL & 1345' FWL	3347.9'	18-1627
34	PRECIOUS 30-18 FED COM # 8H	570' FNL & 1380' FWL	3345.9'	18-1628
35	PRECIOUS 30-18 FED COM # 9H	520' FNL & 1330' FEL	3348.7'	18-1629
36	PRECIOUS 30-18 FED COM # 10H	520' FNL & 1295' FEL	3348.2'	18-1630
37	PRECIOUS 30-18 FED COM # 175H	520' FNL & 1065' FEL	3348.5'	18-1645
38	PRECIOUS 30-18 FED COM # 176H	520' FNL & 1030' FEL	3347.6'	18-1646
39	PRECIOUS 30-18 FED COM # 5H	520' FNL & 800' FEL	3346.5'	18-1625
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LEGEND

- WELL
- PROP. ROAD
- WELLPAD
- COMP. STATION
- TANK BATT.
- DRILL ISLAND

PRECIOUS ARKENSTONE WELLS

SECTION: 31 TOWNSHIP: 23 S. RANGE: 31 E.

STATE: NEW MEXICO COUNTY: EDDY SURVEY: N.M.P.M.

W.O. #18-1606-1772 LEASE: ARKENSTONE, PRECIOUS

0 0.05 0.1 0.2 Miles 1 IN = 500 FT

LOCATION OVERVIEW MAP IMAGERY 12/20/2018 S.P.

OXY USA INC.

HARCROW SURVEYING, LLC.
2514 W. MAIN ST. ARTESIA, NM 88210
PH: (575) 746-2158 FAX: (575) 746-2158
j.harcrow@harcrowsurveying.com

Pad
3101

OXY U.S.A. INC.

NEW MEXICO STAKING FORM

Date Staked: 9-11-18

Lease / Well Name: Precious 30_18 Fed Com ~~1H~~ #476H

Legal Description: 520' FNL 500' FEL Sec 31 T23S R31E

Latitude: 32° 16' 00.20" NAD 83

Longitude: -103° 48' 35.90" NAD 83

X: 703102.81 NAD 83

Y: 461170.13 NAD 83

Elevation: 3346.9 NAD 83

Move information:

County: Eddy

Surface Owner BLM

Nearest Residence: ?

Nearest Water Well:

V-Door: EAST

Top soil: WesT

Road Description: SW Cor From SOUTH

New Road:

Upgrade Existing Road:

Interim Reclamation: 30' EAST 50' NorTH

Source of Caliche:

Onsite Attendees: Jesse Bassett - BLM, Jim Wilson - OXY, SWCA, Asel Survey

DATE 2-22-18

Surface Use Plan of Operations

Operator Name/Number:	**OXY USA Inc. – 16696**
Lease Name/Number:	**Precious 30-18 Federal Com 46H**
Pool Name/Number:	**Wildcat Wolfcamp**
Surface Location:	**520 FNL 500 FEL NENE (A) Sec 31 T23S R31E – NMNM0546732A**
Bottom Hole Location:	**2625 FSL 440 FEL NESE (I) Sec 18 T23S R31E – NMNM546237**

1. Existing Roads

a. A copy of the USGS "Bootleg Ridge, NM" quadrangle map is attached showing the proposed location. The well location is spotted on the map, which shows the existing road system.

b. The well was staked by Chad L. Harcrow, Certificate No. 17777 on 09/11/18, certified 09/18/18.

c. Directions to Location: Beginning at the intersection of N.M State Hwy #128 and Eddy County Road #787 (Twin Wells Road), go south on Eddy County Road #787 for approx. 2.4 miles; then turn left on Caliche Road and go east for approx. 350' to proposed road, then turn left, go north for approx. 36', and proposed well is 782' to the northeast.

2. New or Reconstructed Access Roads:

a. A new access road will be built. The access road will run from Caliche Road and run north for 36' into the southwest corner of the pad.

b. The maximum width of the road will be 14'. It will be crowned up of 6" rolled and compacted caliche. Water will be deflected as necessary, to avoid accumulation and prevent surface erosion.

c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.

d. No cattle guards, gates, or fence cuts will be required. Turnouts every 1000' as needed.

e. Blade, water & repair existing caliche road as needed.

f. Water Bars will be incorporated every 200' during the construction of the road.

3. Location of Existing Wells:

Existing wells within a one mile radius of the proposed well are shown on attached plat.

4. Location of Existing and/or Proposed Facilities:

a. In the event the well is found productive, the Precious Central Tank Battery and the Little Precious Central Tank Battery will be utilized and the necessary production equipment will be installed at the well site. See proposed facilities layout diagram.

b. All flow lines will adhere to API standards. They will consist of three – 4" composite flowlines operating < 75% MAWP, surface to follow surveyed route. Survey nine strips of land 30' wide and 13877.1' in length crossing USA land in Sections 30 & 31 T23S R31E, Eddy County, NM and being 15' left and 15' right of the centerline surveys. Two–20" steel gas lift lines operating <75% MAWP from Precious CTB to Little Precious CTB. Two-8" steel gas suction lines operating at <75% MAWP to Compressor Pad. All well pads have two-6" buried steel gas injection lines operating at <75% MAWP from the two-8" gas injection trunk lines to the wells. Survey eight strips of land 30' wide and 16863.3' in length crossing Sections 30 & 31 T23S R31E, Eddy County, NM and being 15' left and 15' right of the centerline survey and a survey of a strip of land 50' wide and 3830.1' in length crossing USA Land in Sections 29 & 30 T23S R31E, NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey. see attached.

c. Electric line will follow a route approved by the BLM. Survey of a strip of land 30' wide and 11040.6 in length crossing USA land in Sections 30 & 31 T23S R31E NMPM, Eddy County, NM and being 15' left and 15' right of the centerline survey, see attached.

d. See attached for additional information on the Sand Dunes Precious/Arkenstone Central Corridor Surface Production Facilities.

5. Location and types of Water Supply

This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations in the area and will be hauled to location by transport truck using existing and proposed roads.

6. Construction Materials:

Primary

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available.

Secondary

The secondary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

a. The top 6" of topsoil is pushed off and stockpiled along the side of the location.
b. An approximate 120' X 120' area is used within the proposed well site to remove caliche.
c. Subsoil is removed and piled alongside the 120' X 120' within the pad site.
d. When caliche is found, material will be stockpiled within the pad site to build the location and road.
e. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
f. Once the well is drilled the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the attached plat.

7. Methods of Handling Waste Material:

a. A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins. Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility. Solids-CRI, Liquids-Laguna

b. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.

c. The supplier, including broken sacks, will pickup slats remaining after completion of well.

d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.

e. Disposal of fluids to be transported will be by the following companies. TFH Ltd, Laguna SWD Facility

8. Ancillary Facilities: None needed.

9. Well Site Layout:

The proposed well site layout with dimensions of the pad layout and equipment location.

V-Door – East CL Tanks – North Pad – 330' X 1240' – 8 Well Pad

10. Plans for Surface Reclamation:

a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original topsoil will again be returned to the pad and contoured, as close as possible, to the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

b. If the well is deemed commercially productive, caliche from the areas of the pad site not required for operations will be reclaimed. The original topsoil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

11. Surface Ownership:

The surface is owned by the U.S. Government and is administered by the BLM. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The surface is leased to: Slash 46 Inc., P.O. Box 1358, Loving, NM 88256. They will be notified of our intention to drill prior to any activity.

12. Other Information:

a. The vegetation cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grass. The topsoil is sandy in nature. Wildlife in the area is also sparse consisting of deer, coyotes, rabbits, rodents, reptiles, dove and quail.

b. There is no permanent or live water in the general proximity of the location.

c. There are no dwellings within one mile of the proposed well site.

d. Cultural Resources Examination–This well is located in the Permian Basin PA. Payment to be determined by BLM. This well shares the same pad as the Precious 30-18 Fed Com 9H, Precious 30-18 Fed Com 10H, Precious 30-18 Fed Com 175H, Precious 30-18 Fed Com 5H, Precious 30-18 Fed Com 6H, Precious 30-18 Fed Com 176H and Precious 30-18 Fed Com 45H wells.

e. Copy of this application will be furnished to SWCA Environmental Consultants, 5647 Jefferson St. NE, Albuquerque, NM 87109. No Potash leases within one mile of surface location.

13. Bond Coverage:

Bond coverage is Individual-NMB000862, Nationwide-ESB00226.

14. Operators Representatives:

The OXY Permian representatives responsible for ensuring compliance of the surface use plan are listed below:

Leo Ortega
Operations Superintendent
1502 West Commerce Dr.
Carlsbad, NM 88220
Office – 575-628-4012
Cellular – 575-706-8995

Cuong Q. Phan
Asset Manager
P.O. Box 4294
Houston, TX Carlsbad, NM 88220
Office – 713-513-6645
Cellular – 281-832-0978

Jim Wilson
Operation Specialist
P.O. Box 50250
Midland, TX 79710
Cellular – 575-631-2442

Michael Walton
RMT Lead
P.O. Box 4294
Houston, TX 77210
Office – 713-366-5526
Cellular – 281-814-2971

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

PWD Data Report

12/09/2019

APD ID: 10400039412 **Submission Date:** 02/22/2019

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Well Type: OIL WELL **Well Work Type:** Drill

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD disturbance (acres): **PWD surface owner:**

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: **Injection well name:**

Assigned injection well API number? **Injection well API number:**

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Other PWD discharge volume (bbl/day):

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM **Well Number:** 46H

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Bond Info Data Report

12/09/2019

APD ID: 10400039412

Submission Date: 02/22/2019

Operator Name: OXY USA INCORPORATED

Well Name: PRECIOUS 30-18 FEDERAL COM

Well Number: 46H

Well Type: OIL WELL

Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Bond Information

Federal/Indian APD: FED

BLM Bond number: ESB000226

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment: