APPROVED BY

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Acting Assistant Field Manager,	CONDITIONS OF APPROVA	L, IF ANY:				A ! - 4	4 Eigld 4	Janaa	IOT	

ATTACHMENT 3160-3 OXY USA Inc. OXY Limousine Federal #1 SEC 15 T20S R25E Eddy County, NM

PROPOSED TD:

9800' TVD

BOP PROGRAM:

0' - 350' None

350' - 1375'

11" 5M blind and pipe rams with 5M annular

preventer.

1375' - 9800'

11" 5M blind pipe rams with 5M annular

preventer and rotating head below 6000'.

CASING:

Surface:

13-3/8" OD 48# H40 ST&C new casing set at 350'

Intermediate: 8-5/8" OD 32# K55 ST&C new casing from 0-1375'

Production:

4-1/2" OD 11.6# N80 LT&C new casing from 0-9800'

CEMENT:

Surface - Circulate cement with 160sx 35:65 POZ/C with 6% Bentonite + 2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Cl C with 2% CaCl<sub>2</sub>.

Intermediate - Circulate cement with 315sx 35:65 POZ/C with 6% Bentonite + 2%  $CaCl_2$  + .25#/sx Cello-Seal followed by 200sx Cl C with 2% CaCl2.

Production - Cement with 750sx 15:61:11 POZ/C/CSE with .5% FL-52 + .5% FL-25 + 8#/sx Gilsonite followed by 75sx Cl C with .7% FL-25.

Estimated top of cement is 5700'.

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

MUD:

0 - 350'

Fresh water/native mud. Lime for pH control

(9-10). Paper for seepage.

Wt 8.7-9.2 ppg, Vis 32-34 sec

350' - 1375'

Fresh/\*Brine water. Lime for pH control

(10.0-10.5). Paper for seepage.

Wt 8.3-9.0/10.0-10.1ppg, Vis 28-29 sec

\*Fresh water will be used unless chlorides in

the mud system increase to 20000PPM.

1375' - 6000'

Fresh water. Lime for pH control(9-9.5).

Paper for seepage.

Wt 8.3-8.5 ppg, Vis 28-29 sec

6000' - 8300'

Cut brine. Lime for pH control (10-10.5).

Wt 9.6-10.0 ppg, Vis 28-29sec

8300' - 9800'

Mud up with an Duo Vis/Flo Trol mud system.

Wt 9.6-10.0ppg, Vis 32-36sec, WL<10cc

DISTRICT I 1625 M. Franch Dr., Hobbs, RM 86240 DISTRICT II

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

#### DISTRICT III 1000 Rio Brazos Rd., Astec, NM 87410

811 South First, Artesia, NM 88210

#### DISTRICT IV 2040 South Pachsoo, Santa Fe, NM 67505

### OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

ADV NV			
API Number	Pool Code	Pool Nam	16
30-015-		Undesignated Cemetary Mo	orrow
Property Code	Pı	operty Name	Well Number
	OXY	LIMOUSINE Federal	1
OGRID No.		erator Name	Elevation
16696	OXY	USA INC.	3429'
			JTZS

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	ļ
E	15	20 S	25 E		1780	NORTH	660	WEST	EDDY	

#### Bottom Hole Location If Different From Surface

- 1								1444		
	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	Dedicated Acres	Joint o	r Infill Co	nsolidation (	ode Or	der No.				
	320	N								

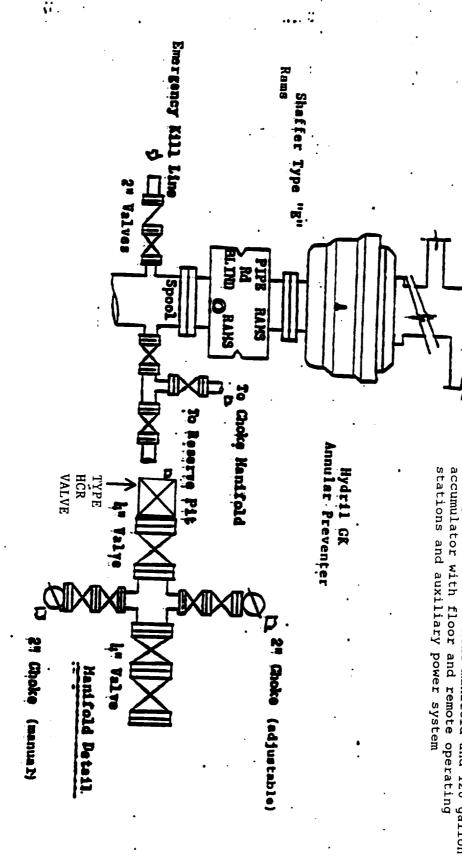
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	THE DIVISION
3431.6' 3428.3'	OPERATOR CERTIFICATION  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature  David Stewart  Printed Name  Regulatory Analyst  Title  SURVEYOR CERTIFICATION  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison and that the same is true and correct to the best of my belief.  April 25, 2000  Date Systemal I. Jones  Professional Statement  W. A. Ho. C. Signature Torres Torres  Certification for General Torres  Regulatory Torres  Torres  Regulatory Torres  Torr

type preventer.

11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular

A choke manifold and 120 gallon



Choks Hentfold

#### MULTI-POINT SURFACE USE AND OPERATIONS PLAN

OXY USA Inc.
OXY Limousine Federal #1
Eddy County, New Mexico
Lease No.

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

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

#### 1. Existing Roads

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

Directions to location:

From the junction of USH 285 & CR 28, go west on 285 approximately 4 miles to a point which lies .75 miles south of the proposed well location.

#### 2. Planned Access Road

- A. A new access road will built. The access road will run approximately 1023' east. Exhibit B.
- B. Surfacing material: Six inches of caliche and water, compacted and graded.
- C. Maximum Grade: Less than 3%
- D. Turnouts: None needed.
- E. Drainage Design: N/A.
- F. Culverts: None needed.
- G. Cuts and Fills: Leveling the location will require minimal cuts or fills.
- H. Gates or Cattleguards: None required.
- Existing wells within a one mile radius of the proposed development well are shown on Exhibit C.

#### 4. Location of Existing and/or Proposed Facilities

A. If the well is productive, production facilities will be constructed on the well pad. The facility will consist of a stack pack, one 300 bbl oil tank and one 300 bbl fiberglass water tank. All permanent above ground facilities will be painted in accordance with the BLM's painting guidelines simulating the color of sandstone brown.

## Multi-Point Surface Use and Operations Plan OXY Limousine Federal #1

#### Page 2

B. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the OXY Limousine Federal #1 tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

#### Location and Type of Water Supply

Fresh water and brine water will be used to drill this well. It will be purchased from a supply in Loco Hills and transported to the well site.

#### 6. Source of Construction Materials

Caliche for surfacing the well pad will be obtained from a Federal pit located in Section 12, T20S, R27E, Eddy County, New Mexico.

#### 7. Method of Handling Waste Disposal

- A. Drill Cuttings will be disposed of in drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

#### 8. Ancillary Facilities

A. None needed.

#### 9. Wellsite Layout

- A. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are shown on the well site layout sketch. The V-door will be to the east and the pits to the north. Exhibit D.
- B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.
- C. The reserve pit will be plastic lined.
- D. While constructing the pits and material is encountered at a depth which would not allow the pits to meet the BLM stipulations with out blasting, OXY requests a variance. There will be an adequate amount of material to reclaim the pit per the stipulations.
- E. The pad and pit area have been staked and flagged.

#### Multi-Point Surface Use and Operations Plan OXY Limousine Federal #1 Page 3

#### 10. Plans for Restoration of the Surface

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

#### 11. Surface Ownership

The wellsite is on Federal owned surface. The surface is leased to: Henry Terpening, 3612 E. Castleberry Rd., Artesia, NM 88210. They will be notified of our intention to drill prior to any activity.

#### 12. Other Information

- A. Topography: The location is a flat plain. GL elevation is 3429'.
- B. Soil: Sandy clay loams.
- C. Flora and Fauna: The vegetative cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is also sparse consisting of coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: There are no occupied dwellings within a 4 mile radius of the location.
- F. Archaeological, Historical and Cultural Sites: Cultural resources have been recorded in the area. Desert West will be engaged to make an archaeological reconnaissance of the work area.
- G. Land Use: Cattle ranching.
- H. The well site, if a producer, will be maintained and kept clean of all trash and litter which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.

#### Multi-Point Surface Use and Operations Plan OXY Limousine Federal #1 Page 4

After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with grass if, in the opinion of the land owner, it is required.

#### 13. Operator's Representatives and Certification

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

Joe Gibson, Production Coordinator

P.O. Box 69

Hobbs, New Mexico 88240 Office Phone: 505-393-2174 Home Phone: 505-390-4988 Joe Fleming
P.O. Box 50250

Midland, TX 79710-0250 Office Phone: 915-685-5858

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

5-4-2000

DATE

Gary L. Womack

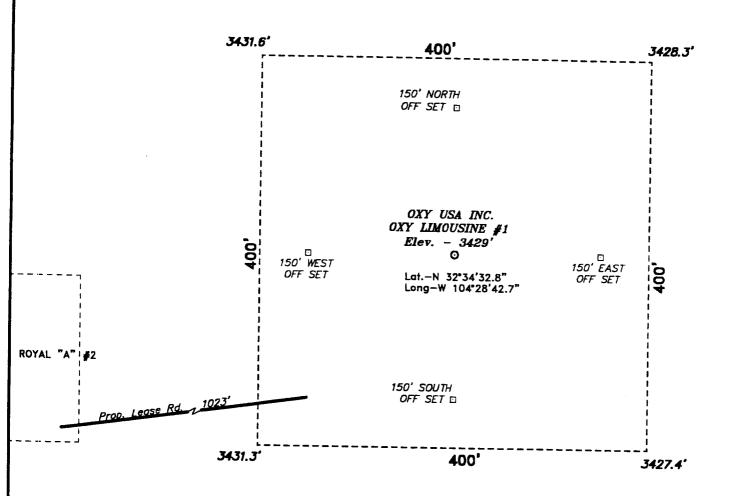
Operations Engineer

915-685-5772

Permian Asset Group

OXY USA Inc.

# SECTION 15, TOWNSAIP 20 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY,



Directions to Location:

FROM THE JUNCTION OF CO. RD. 28 AND US HWY 285, GO WEST ON 285 APPROX. 4 MILE TO A POINT WHICH LIES APPROX. 0.75 MILE SOUTH OF THE PROPOSED WELL LOCATION.

100 0 100 200 FEET

SCALE: 1" = 100'

## Oxy USA Inc.

REF: Oxy Limousine No. 1 / Well Pad Topo

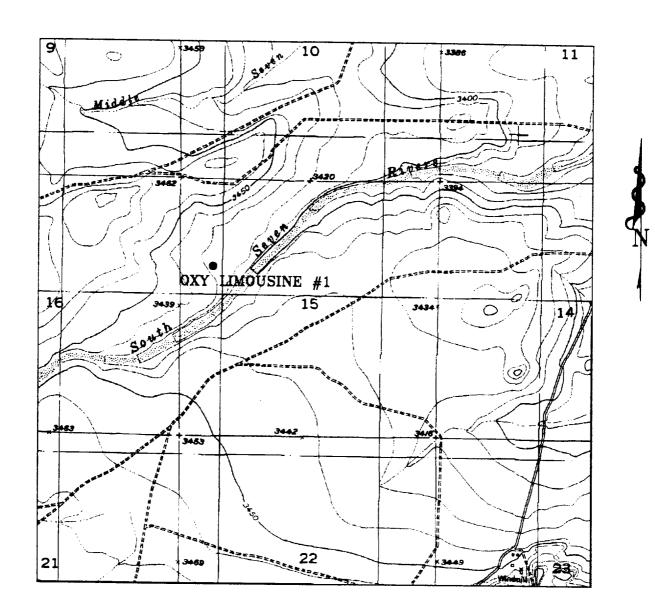
THE OXY LIMOUSINE No. 1 LOCATED 1780' FROM THE NORTH LINE AND 660' FROM THE WEST LINE OF SECTION 15, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 0245 Drawn By: K. GOAD

Date: 04-28-2000 Disk: KJG #122 - 0245A.DWG

Survey Date: 04-25-2000 Sheet 1 of 1 Sheets



OXY LIMOUSINE #1 Located at 1780' FNL and 660' FWL Section 15, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

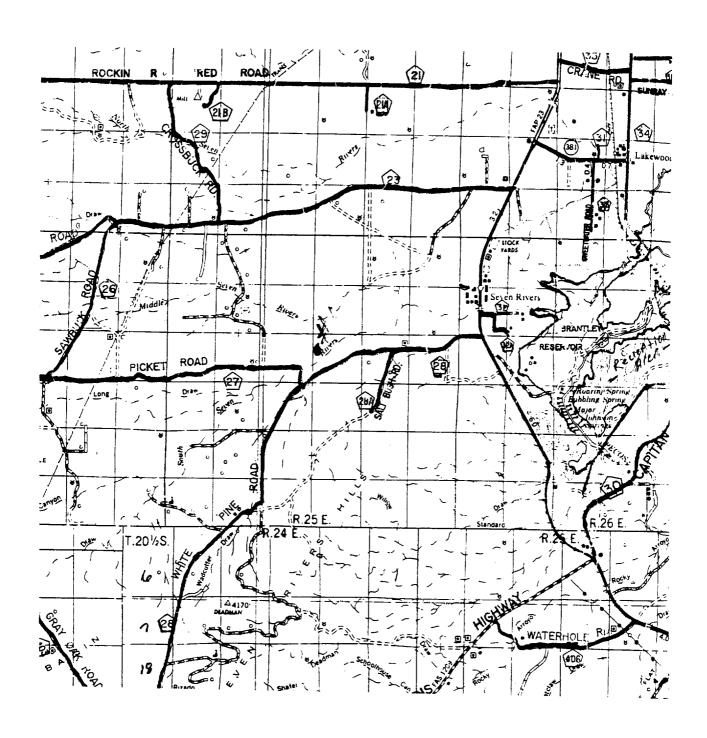
Date: 04-28-2000



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-3074 - Fax basinsurveys.com

W.O. Number:	0245AA - KJG	#122	
Survey Date:	04-25-2000		
Scale: 1" = 21	000'		_

OXY USA INC.



OXY LIMOUSINE #1 Located at 1780' FNL and 660' FWL Section 15, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.



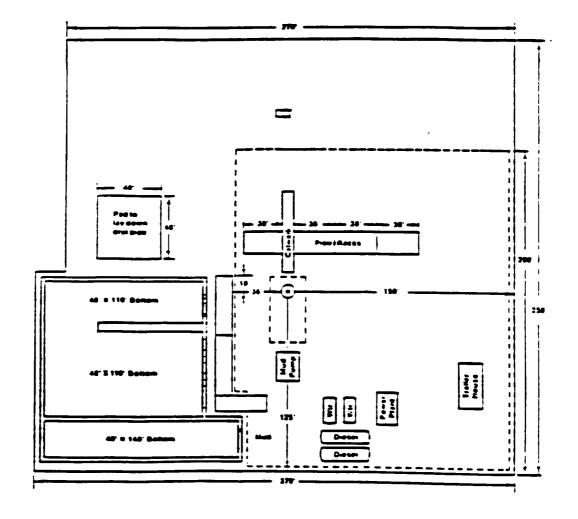
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W.O. Number:	0245AA - KJG #122
Survey Date:	04-25-2000
Scale: 1" = 2	MILES
Date: 04-28-	-2000

OXY USA INC.

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EXHIBIT D







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

May 4, 2000

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

Re: Application for Permit to Drill OXY USA Inc. OXY Limousine Federal #1 Eddy County, New Mexico Lease No. NM14758



#### Gentlemen:

OXY USA Inc. respectfully requests permission to drill our OXY Limousine Federal #1 located 1780 FNL and 660 FWL of Section 15, T20S, R25E, Eddy County, New Mexico, Federal Lease No. NM14758. The proposed well will be drilled to a TD of approximately 9800'(TVD). The location and work area has been staked. It is approximately 13 miles northwest of Carlsbad, New Mexico.

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

- I. Application for Permit to Drill:
  - 1. Form 3160.3, Application for Permit to Drill.
  - Form C-102 Location and Acreage Dedication Plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated April 24, 2000.
  - 3. The elevation of the unprepared ground is 3429 feet above sea
  - The geologic name of the surface formation is Permian Rustler.
  - Rotary drilling equipment will be utilized to drill the well to TD 9800' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
  - 6. Proposed total depth is 9800' TVD.
  - 7. Estimated tops of important geologic markers.

Wolfcamp	6250′	TVD
Strawn	8400′	TVD
Atoka	<b>895</b> 0′	TVD
Morrow	<b>920</b> 0′	TVD

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

Primary Objective: Morrow

9200' TVD

Secondary Objective: Atoka

8950' TVD

#### APD - OXY Limousine Federal #1

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9. The proposed casing program is as follows:

Surface: 13-3/8" 48# H40 ST&C new casing set at 350'

Intermediate: 8-5/8" 32# K55 ST&C new casing from 0-1375'

Production: 4-1/2" 11.7# N80 LT&C new casing from 0-9800'

- 10. Casing setting depth and cementing program:
  - A. 13-3/8" surface casing set at 350' in 17-1/2" hole. Circulate cement with 160sx 35:65 POZ/C w/ 6% Bentonite + 2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% CaCl<sub>2</sub>.

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

B. 8-5/8" intermediate casing set at 1375' in 11" hole. Circulate cement with 315sx 35:65 POZ/C w/ 6% Bentonite + 2% CaCl<sub>2</sub> + .25#/sx Cello-Seal followed by 200sx Class C w/ 2% CaCl<sub>2</sub>.

If hole conditions dictate, a DV tool may be run to ensure that the intermediate string is cemented to surface.

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

Note: Cement volumes may be adjusted according to fluid caliper.

C. 4-1/2" production casing set at 9800'. Cement with 750sx 15:61:11 POZ/C/CSE w/ .5% FL-25 + .5% FL-52 + 8#/sx Gilsonite followed by 75sx Class C w/ .7% FL-25.

Estimated top of cement is 5700'.

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

11. Pressure Control Equipment

0' ~ 350' None

350' - 1375' 11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular preventer.

1375' - 9800'

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

## APD - OXY Limousine Federal #1 Page 3

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

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

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

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

#### 12. Mud Program:

0 - 350' Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt.8.7-9.2 ppg, vis 32-34 sec.

350' - 1375'

Fresh/\*brine water. Lime for pH control (10-10.5). Paper for seepage.

Wt. 8.3-9.0/10.0-10.1ppg, vis 28-29 sec.

\*Fresh water will be used unless chlorides in the mud system increase to 20000PPM.

1375' - 6000' Fresh water. Lime for pH control (9-9.5). Paper for seepage.
Wt. 8.3-8.5 ppg, vis 28-29 sec.

6000' - 8300' Cut brine. Lime for pH control (10-10.5). Wt. 9.6-10.0 ppg, vis 28-29 sec.

8300' - 9800' Mud up with an Duo Vis/Flo Trol system. Wt. 9.6-10.0 ppg, Vis 32-36sec, WL<10cc.

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

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

## APD - OXY Limousine Federal #1 Page 4

- 13. Testing, Logging and Coring Program:
  - A. Testing program: No DST's are anticipated.
  - B. Mud logging program: One-man unit from 6000' to TD.
  - C. Electric logging program: CNL/LDT/CAL/GR, DLL/CAL/GR.
  - D. Coring program: Possible sidewall rotary cores.
- 14. No abnormal temperatures, or H2S gas are anticipated. The highest anticipated pressure gradient would be .55psi/ft. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.
- 15. Anticipated starting date is August 18, 2000. It should take approximately 28 days to drill the well and another 10 days to complete.
- 16. The Multi-Point Surface Use & Operation Plan is attached.
- 17. If the Bureau of Land Management needs additional information to evaluate this application, please advise.

Very truly yours,

David Stewart Regulatory Analyst Permian Asset Group

OXY USA Inc.

DRS/drs

Attachments