

Submit to appropriate District Office

AMENDED REPORT

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD
JAN 28 2014
RECEIVED

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Occidental Permian Ltd. P.O. Box 4294, Houston, TX 77210-4294		² OGRID Number 157984
⁴ Property Code 19520	⁵ Property Name North Hobbs G/SA Unit	³ API Number 30- 025-41643
⁹ Proposed Pool 1 Hobbs; Grayburg - San Andres <31920>		⁶ Well No. 949
⁹ Proposed Pool 1		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
F	33	18-S	38-E		2243	North	2046	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
I	33	18-S	38-E		2519	South	1119	East	Lea

Additional Well Location

¹¹ Work Type Code New Well	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3641.2'
¹⁶ Multiple No	¹⁷ Proposed Depth 4515' TVD/5230' TMD	¹⁸ Formation San Andres	¹⁹ Contractor H&P 346	²⁰ Spud Date March, 2014

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4	9-5/8	36	1615 (MD)	650	Surface
8-3/4	7	26	5230 (MD)	930	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

BOP type is blind ram-pipe ram-annular (National Oilwell Varco)
3000 psi working pressure. 1800 psi test pressure

During this procedure, Oxy plans to use a closed-loop system with steel tanks and haul contents to the required disposal facility per OCD Rule 19.15.17 (closed loop system schematic attached)

This well will be directionally drilled

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: <i>Mark Stephens</i>	OIL CONSERVATION DIVISION	
Printed name: Mark Stephens	Approved by: <i>[Signature]</i>	
Title: Regulatory Compliance Analyst	Title: Petroleum Engineer	
E-mail Address: Mark.Stephens@oxy.com	Approval Date: 02/03/14	Expiration Date: 02/03/16
Date: 1/27/14	Phone: (713) 366-5158	Conditions of Approval Attached <input type="checkbox"/>

FEB 04 2014 Pm

APD DATA – DRILLING PLAN

OPERATOR NAME / NUMBER: OXY USA WTP LP

LEASE NAME / NUMBER: North Hobbs G/SA Unit #949

STATE: NM **COUNTY:** Lea

SURFACE LOCATION: 2243' FNL & 2046' FWL, Sec 33, T18S, R38E

SL: **Lat:** 32.7048650°N **LONG:** 103.1549024°W
 X: 862495.9 **Y:** 622155.2 New Mexico East NAD1927

C-102 PLAT APPROX GR ELEV: 3641.2'

EST KB ELEV: 3657.7' (16.5' KB)

1. GEOLOGIC NAME OF SURFACE FORMATION

a. Permian

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS

Formation	TV Depth Top*	Expected Fluids
Base Red Beds	228	Fresh Water
Rustler	1578	Formation Fluid
Top of Salt	1648	Formation Fluid
Base of Salt	2658	Formation Fluid
Queen	3398	Formation Fluid
Grayburg	3688	Formation Fluid
Basal Grayburg	3858	Formation Fluid
San Andres	3948	Hydrocarbon
TD	4500	TD (TVD)

*Note: Depths are below GL.

A. Fresh Water formations will be covered with the 16" conductor pipe, which will be set at 53' prior to spud.

GREATEST PROJECTED TD 5230' MD / 4515' TVD **OBJECTIVE:** San Andres

3. CASING PROGRAM

Surface Casing: 9.625" 36# J55 LTC casing set at ± 1615' MD/ 1600' TVD in a 12.25" hole filled with 9.8 ppg mud

Production Casing: 7" 26# J55 LTC casing set at ± 5230'MD/ 4515'TVD in a 8.75" hole filled with 10.3 ppg mud

String	OD (in)	ID (in)	Coupling OD (in)	Drift (in)	Weight (#/ft)	Grade	CXN	Burst (psi)	Collapse (psi)	Tension (k-lbs)	Torque (ft-lbs)		
											Minimum	Optimum	Maximum
Conductor	16	15.25	17	14.5	65	H40	Weld	1640	670	736	4390	4390	4390
Surface	9.625	8.921	10.625	8.765	36	J55	LTC	3520	2020	564	3400	4530	5660
Production	7	6.276	7.656	6.151	26	J55	LTC	4980	4320	415	2750	3670	4590

4. CEMENT PROGRAM:

Surface Interval							
Interval	Amount sks	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Surface (TOC: 0' - 1600')							
Lead: 0' - 1200' 100% Excess	450	1220	Premium Plus Cement: 94 lbm/sk Premium Plus Cement 4 % Bentonite (Light Weight Additive) 1 % Calcium Chloride - Flake(Accelerator) 0.125 lbm/sk Poly-E-Flake (LC Additive)	9.14	13.5	1.73	880 psi
Tail: 1200' - 1600' 100% Excess	200	400	Premium Plus Cement: 94 lbm/sk Premium Plus Cement, 1 % Calcium Chloride - Flake	6.36	14.8	1.34	1600 psi

Production Interval							
Interval	Amount sks	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Production (TOC: 0' - 4600')							
Stage 1 Primary: 4000'-5230' 85% Excess	320	1220	Premium Plus Cement 47 lbm/sk Premium Plus Cement 0.6 lbm/sk LAP-1 (LC Additive) 0.3 lbm/sk CFR-3 (Dispersant) 37 lbm/sk Pozmix A - Class C (Cement) 0.25 lbm/sk D-AIR 3000 (Defoamer) 0.125 lbm/sk Poly-E-Flake (LC Additive)	4.70	14.8	1.12	1236 psi
Stage 2 Lead: 0' - 2600' 10 % Excess 1600' - 2600' 200 % Excess	310	2600	Interfill C 0.125 lbm/sk Poly-E-Flake (LC.) 0.5 % Halad(R)-322 (LC Additive) 0.5 lbm/sk D-AIR 5000 (Defoamer)	13.87	11.9	2.44	376 psi
Stage 2 Tail: 2600'-4000' 100 % Excess	300	1400	Premium Plus Cement 94 lbm/sk Premium Plus Cement 0.2 % WellLife 734 (Cement Enhancer) 5 lbm/sk Microbond (Expander) 0.3 % Econolite (Light Weight Additive) 0.3 % CFR-3 (Dispersant)	7.72	14.20	1.55	1914

5. PRESSURE CONTROL EQUIPMENT

Surface: 0 – 1600' None.

Production: 1600' - 4600' The minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required to drill below the surface casing shoe shall be 3000 (3M) psi (including annular).

Casing Size (in.)	Wellhead Flange		BOP Stack			Pressure Test (psi)			
	Size (in.)	Pressure (psi)	Type ⁽¹⁾	Size (in.)	Pressure (psi)	Initial		Subsequent	
						Rams	Ann	Rams	Ann
9 5/8"	11"	3000	R, R, A, G	11"	5000	250/1800	250/1800	250/1800	250/1800

- The 11" 3000 psi blowout prevention equipment will be installed and operational after setting the 9 5/8" surface casing and the 9 5/8" SOW x 11" 3K wellhead. A modified Wellhead System with 7" Mandrel Hanger will be used.
- The BOP and auxiliary BOPE will be tested by a third party upon installation to the 9 5/8" 36# J-55 surface casing. All equipment will be tested to 250/1800 psi for 10.
- The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log. Other accessory equipment (BOPE) will include a safety valve and subs as needed to fit all drill strings, and a 2" kill line and 3" choke line having a 3000 psi WP rating.
- See attached BOP & Choke manifold diagrams.

6. MUD PROGRAM:

Depth (ft)	Mud Weight (ppg)	Viscosity (sec/qt)	Fluid Loss (cc's)	pH	Mud System
0 – 1500	8.4 – 9.3	28 – 30	N/C	<9.0	Freshwater / Sweeps
1500 - 1600	8.8 – 9.3	32 – 40	< 25	<9.0	FW – Native Mud
1600 – 3600	9.8 – 10.0	28 – 32	N/C	10.0 – 11.0	Brine Water / Sweeps
3600 – 5230	10.0 – 10.3	36 - 45	<8	10.5 – 11.0	Salt Gel / Starch

Remarks: Pump high viscosity sweeps as needed for hole cleaning. 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.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

- A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.
- Hydrogen sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. If Hydrogen Sulfide is encountered, measured amounts and formations will be reported to the REGULATORY AGENCIES.

8. LOGGING / CORING AND TESTING PROGRAM:

- Mud Logger: None.
- DST's: None.
- Open Hole Logs: None.

9. POTENTIAL HAZARDS:

- A. H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.
- B. The MASP will be 1254psi and BOP test (MASP + 500) will be 1754psi
- C. No abnormal temperatures or pressures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

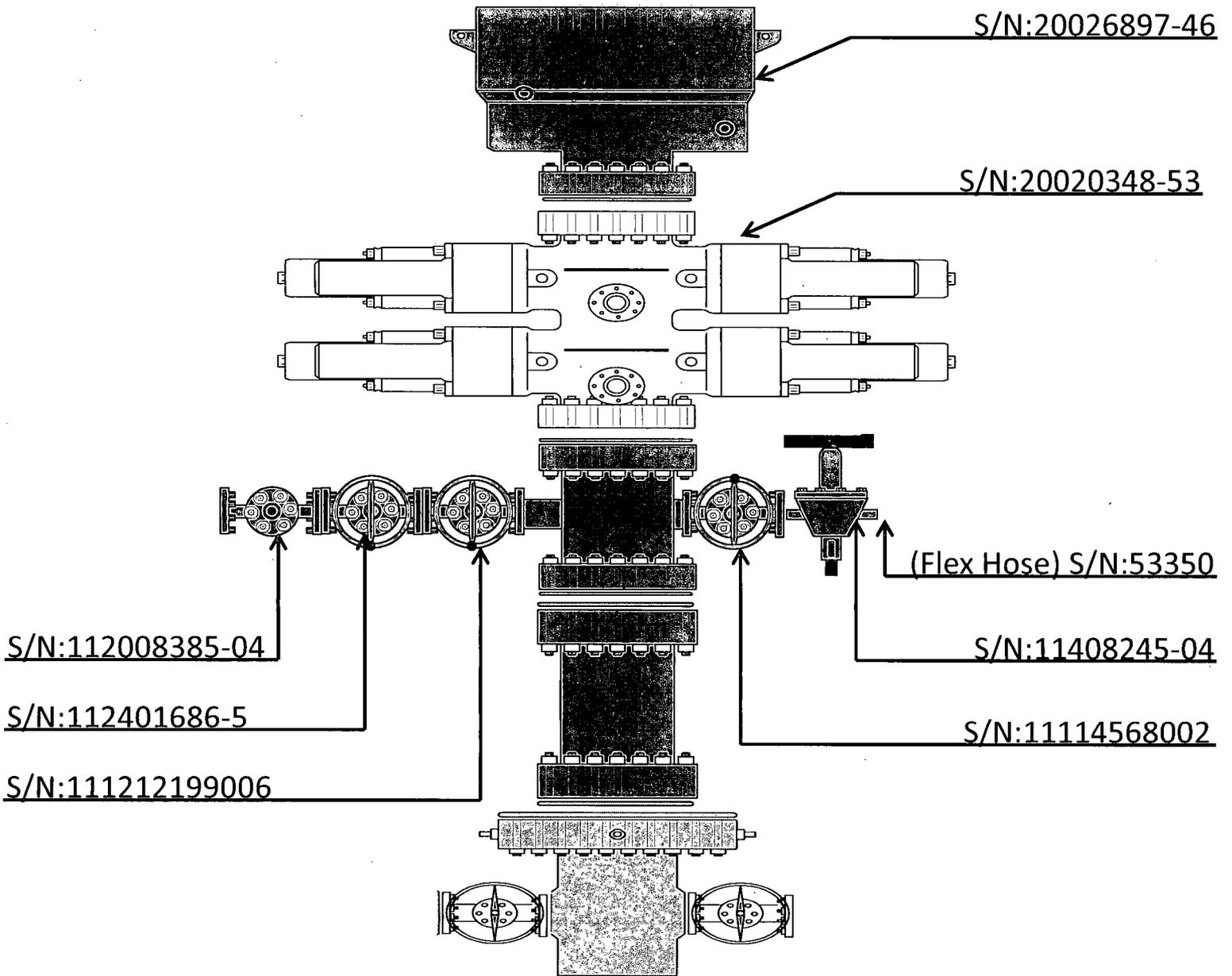
10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS

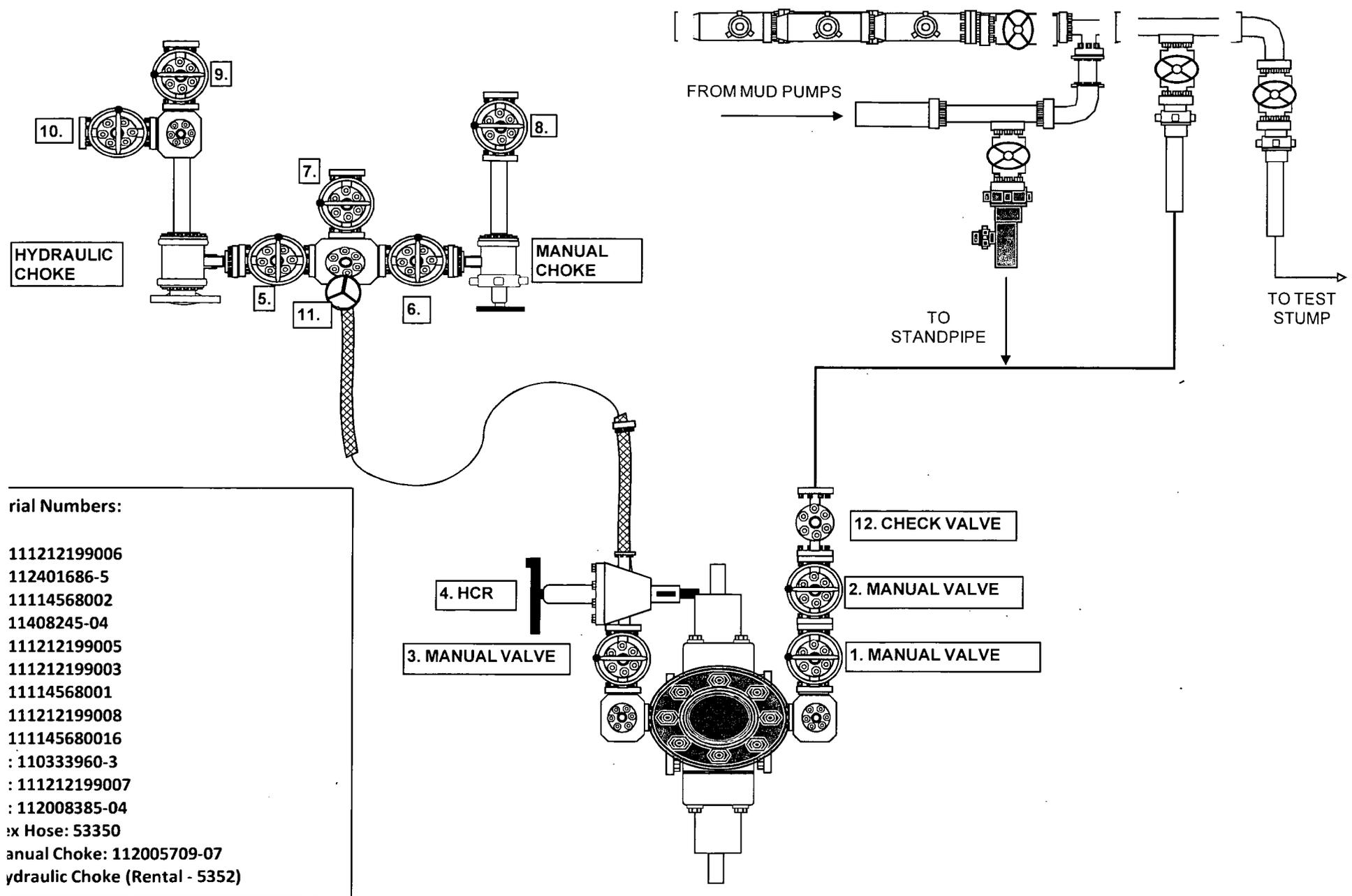
Road and location construction will begin after Oxy has submitted APD. Anticipated spud date will be as soon as possible after approval and as soon as a rig will be available. Move in operations and drilling is expected to take 10 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

11. COMPANY PERSONNEL:

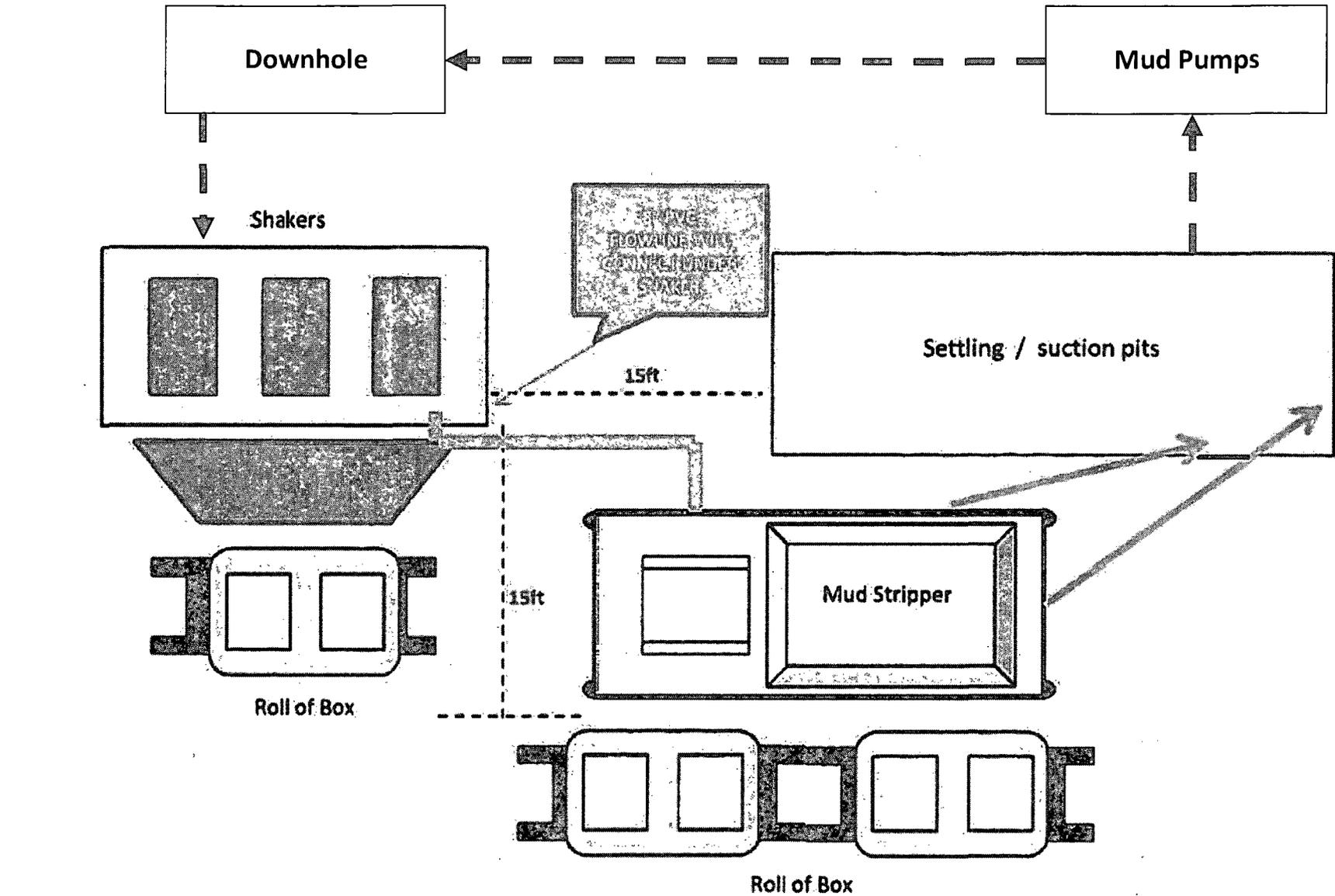
Name	Title	Office Phone
Edgar Diaz-Aguirre	Drilling Engineer	713-840-3037
Adriano Celli	Drilling Engineer Supervisor	713-985-6371
Kevin Videtich	Drilling Superintendent	713-350-4761
Michael Tessari	Drilling Manager	713-840-3092

H&P 346 BOP Diagram





- Material Numbers:
- 111212199006
 - 112401686-5
 - 11114568002
 - 11408245-04
 - 111212199005
 - 111212199003
 - 11114568001
 - 111212199008
 - 111145680016
 - : 110333960-3
 - : 111212199007
 - : 112008385-04
 - Flex Hose: 53350
 - Manual Choke: 112005709-07
 - Hydraulic Choke (Rental - 5352)



8" Flex Hose
20 ft long

H&P Flex 4 Closed Loop Schematic

30-025-41643



DRILLING
EMERGENCY ACTION PLAN

DRILLING

Updated August 2, 2012

DRILLING

EMERGENCY ACTION PLAN

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PREFACE

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

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

The following procedures are provided as Oxy Permian's minimum expectations. The Contractor's own procedures may be utilized in lieu of Oxy Permian's, if it meets or exceeds the minimum deliverables. It should be understood that this list is not all-inclusive, but the overall plan should assist in lateral application to similar incidents.

This EAP is intended for use on Oxy Drilling projects and the operations within their area of responsibility.

EMERGENCY RESPONSE ACTIVATION AND GENERAL RESPONSIBILITIES

Activation of the Emergency Action Plan

- A. In the event of any emergency, all personnel on location should first ensure that the following items are initiated. After that, they should refer to the appropriate Specific Emergency Guidance sections on pages five (5) through nine (9) in this document for further responsibilities:
1. Notify the RM (Rig Manager) or senior ranking contract representative on site.
 2. Notify Oxy Drill Site Manager.
 3. Notify civil authorities if the Oxy Representative cannot be contacted and the situation dictates.
 4. Perform rescue and first aid as required (without jeopardizing additional personnel).

General Responsibilities

Oxy Permian Personnel:

- A. Drill Site Manager (DSM): The Oxy DSM or contract personnel serving in that capacity will serve as On-Scene Incident Commander for all emergency incidents. The Operations Chief Officer is responsible for:
1. Immediate Notification to the Drilling Superintendent of the incident occurrence
 2. Sole control of all tactical activities directed toward reducing the immediate hazard, establishing situational control and restoring the operations to a non-emergency state.
- B. Drilling Superintendent: The Oxy Drilling Superintendent will serve as the overall Incident Commander for the drilling emergency incident. The Incident Commander is responsible for:
1. Coordinating with the Drilling Manager for notification to the Oxy Crisis Management team of the incident occurrence.
 2. Establishing and managing the overall incident command structure and response from inception through restoration of normal activities in the area.
- C. Drilling HES: The Drilling HES Specialist (or his designate) is responsible for reporting to the incident as soon as reasonably possible, to provide support to the response effort as required by the Operations Chief Officer or the Incident Commander.

Contract Drilling Personnel will immediately report to their assigned stations and perform their duties as outlined in the appropriate Specific Emergency Guidance sections in this document.

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

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

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

WELL CONTROL

Please refer to the Permian Blow Out Response Plan in Folder.

H2S RELEASE

Please refer to the Permian Drilling Hydrogen Sulfide Contingency Plan in Folder.

PERSONAL INJURY OR DEATH

Call for assistance, and then administer first aid for the injured. Treatment should be prioritized by life-threatening conditions.

- A. Do not move injured personnel unless they are in imminent danger. An ambulance should be summoned for any injury that appears to be serious.

FIRE OR EXPLOSION

Fire Fighting Philosophy

It is Oxy Permian's intent that Oxy and contract personnel will only extinguish incipient or beginning stage fires and perform or assist in initial non-threatening rescue operations. The responding fire department will be given primacy when they arrive to control a fire on any Oxy property. Any Oxy or contract employee who participates in a fire response must be fully trained and qualified as such, and must be utilizing appropriate Personal Protective Equipment.

Contract and Oxy Personnel Deployment

In the event of a fire or explosion, all personnel will report to the safe briefing/mustering area. The OXY Drill Site Manager will designate personnel for rescue as appropriate depending on their qualifications and the risks of the rescue. Any rescue, which involves significant risk to those performing the rescue, should be deferred to professional response personnel.

No personnel will leave the area without direction / permission from the RM (Rig Manager) or Senior Contract Representative on-site.

The OXY Drill Site Manager will notify local emergency response personnel as required.

The Rig Manager will notify the Drilling Contractor Company management as soon as reasonably possible.

SPILLS

In the event of a significant spill of any substance, the person discovering it should immediately notify the Rig Manager and DSM. Personnel onsite should **NOT** attempt identification, control or containment unless they are absolutely sure of the product spilled, are fully aware of the hazard characteristics listed on MSDS sheets, and are equipped with the appropriate personal protective equipment.

HYDROCARBON VAPOR CLOUD RELEASE

Upon discovery of a Hydrocarbon Vapor Cloud (NGL) release, take immediate safety precautions to protect any company personnel or others that might be in the area. Only trained expert personnel from the appropriate pipeline company should initiate other emergency actions.

The following guidelines should be followed:

1. Immediately notify the OXY Drill Site Manager and Rig Manager.
2. Determine wind direction, and evacuate upwind or at 90 degrees to the release.
3. Maintain a safe distance from the cloud.
4. Render first aid and call for an ambulance as necessary.
5. Attempt to warn approaching individuals of the hazard.

BOMB THREAT

In the event of a bomb threat, the person receiving the call, on or off site, should try to get as much information as possible from the caller. The person receiving the call should immediately contact the supervisor in charge. Evacuation of the field should be considered at this time. Roadblocks may need to be installed. The supervisor in charge should make all appropriate contacts.

The Supervisor contacted should:

- a. Realize that every bomb threat is serious.
- b. Notify Corporate Security
- c. Inform Police/Sheriff's Department and Fire Department
- d. Contact Drilling Superintendent or his designated relief to coordinate search efforts with the assistance of the local law enforcement agencies.

BOMB THREAT CHECKLIST

Date _____ Name of person taking call _____ Phone # call came on _____

FILL OUT COMPLETELY IMMEDIATELY AFTER BOMB THREAT

1. When is the bomb set to explode? _____
2. Where is the bomb located? _____
3. What does the bomb look like? _____
4. What type of bomb is it? _____
5. What will cause the bomb to explode? _____
6. Did the caller place the bomb? _____
7. Why did the caller place the bomb? _____
8. What is the caller's name and address? _____

Callers: Sex ___ Age ___ Race ___ Length of call _____

DESCRIPTION OF CALLER'S VOICE (Check all that apply)

<input type="checkbox"/> Calm	<input type="checkbox"/> Rapid	<input type="checkbox"/> Laughing	<input type="checkbox"/> Lisp	<input type="checkbox"/> Disguised
<input type="checkbox"/> Angry	<input type="checkbox"/> Crying	<input type="checkbox"/> Raspy	<input type="checkbox"/> Accent	<input type="checkbox"/> Familiar? Who did?
<input type="checkbox"/> Excited	<input type="checkbox"/> Normal	<input type="checkbox"/> Deep	<input type="checkbox"/> Stutter	it sounds like.
<input type="checkbox"/> Slow	<input type="checkbox"/> Distinct	<input type="checkbox"/> Ragged	<input type="checkbox"/> Deep	<input type="checkbox"/> Deep Breathing
<input type="checkbox"/> Loud	<input type="checkbox"/> Slurred	<input type="checkbox"/> Nasal	<input type="checkbox"/> Clearing Throat	

BACKGROUND SOUNDS:

<input type="checkbox"/> Street	<input type="checkbox"/> House	<input type="checkbox"/> Factory	<input type="checkbox"/> Music	<input type="checkbox"/> Local Call
<input type="checkbox"/> Noises	<input type="checkbox"/> Noises	<input type="checkbox"/> Machinery	<input type="checkbox"/> Static	<input type="checkbox"/> Long Distance
<input type="checkbox"/> Voices	<input type="checkbox"/> Motor	<input type="checkbox"/> Animals	<input type="checkbox"/> PA System	<input type="checkbox"/> Phone Booth
<input type="checkbox"/> Office	<input type="checkbox"/> Clear	<input type="checkbox"/> Other		

THREAT LANGUAGE:

<input type="checkbox"/> Well-Spoken	<input type="checkbox"/> Foul	<input type="checkbox"/> Incoherent	<input type="checkbox"/> Irrational	<input type="checkbox"/> Taped
<input type="checkbox"/> Message Read by Threat Maker				

REMARKS:

NATURAL DISASTERS

Tornadoes

Everyone seeking shelter from a severe storm or tornado should follow these general procedures:

Indoors:

1. Protect yourself from flying glass and debris.
2. Take refuge near the core of the building for maximum protection.
3. Do not smoke while taking shelter.
4. Shut all doors to offices, if time permits.

In the field:

1. Seek cover in a low-lying area, such as a culvert, ditch, pit, or water injection valve box.
2. Get out of and away from your vehicle.
3. Stay away from power lines.
4. Cover your head with your arms and clothing.

Thunderstorms

Indoors:

1. Avoid water pipes, sinks, showers, tubs, etc.
2. Stay away from doors and windows.
3. Do not use the telephone.
4. Take off headsets.
5. Turn off, unplug, and stay away from appliances, computers, power tools, & TV sets.

In the field:

1. Avoid water.
2. Avoid high ground and open spaces.
3. Avoid all metal objects including electric wires, fences, machinery, motors, power tools, etc. Unsafe places include underneath canopies, small picnic or rain shelters, or near trees. Where possible, find shelter in a substantial building or in a fully enclosed metal vehicle such as a car, truck or a van with the windows completely shut. If lightning is striking nearby when you are outside, you should:
 - a. Crouch down, feet together, hands over ears
 - b. Avoid proximity (minimum of 15 ft.) to other people.
4. SUSPEND ACTIVITIES for 30 minutes after the last observed lightning or thunder.

PUBLIC RELATIONS

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

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

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