Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

SEP 29 2014

RECEIVED

5. Lease Serial No. NMNM77060	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	
1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other	8. Well Name and No. RED TANK 33 FEDERAL 1H
2. Name of Operator OXY USA INCORPORATED — Contact: DAVID STEWART — E-Mail: david_stewart@oxy.com	9. API Well No. 30-025-41237-00-X1
3a. Address HOUSTON, TX 77210-4294	3b. Phone No. (include area code) Ph: 432.685.5717 Fx: 432.685.5742
10. Field and Pool, or Exploratory RED TANK	
4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)* Sec 33 T22S R32E SESE 330FSL 330FEL 32.341660 N Lat, 103.671669 W Lon	11. County or Parish, and State LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original A PD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

OXY USA Inc. respectfully requests approval for the following changes to the drilling plan:

1. Extend the BHL approximately 150' past the north hardline to allow for our shoe track, see attached for amended C-102 plat and amended directional drilling plan.

Proposed TD - 13004'M 8467'V

SEE ATTACHED FOR CONDITIONS OF APPROVAL

2. Adjust production casing and cementing to amended TMD. Add DV tool and ACP at 4795', 100' below intermediate casing shoe for contingency second stage cement job. If cement comes to surface during first stage cement job we will inflate the ACP and then drop the cancelation cone for the DV tool. Add second stage contingency cement in the event we do not circulate cement to surface during the first stage.

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

Electronic Submission #262131 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by JENNIFER MASON on 09/19/2014 (14JAM0097SE)

Name *(Printed/Typed)* DAVID STEWART — Title SR. REGULATORY ADVISOR

Signature (Electronic Submission) — Date 09/09/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By _____ — Title _____ — Date SEP 19 2014

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. — Office

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.

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

SEP 29 2014

Additional data for EC transaction #262131 that would not fit on the form

32. Additional remarks, continued

Production Casing
5-1/2" 17# L-80 BT&C new csg @ 0-13004'M, 7-7/8" hole w/ 9.2# mud

Coll Rating (psi)-6290 Burst Rating (psi)-7740
SF Coll-1.55 SF Burst-1.25 SF Ten-1.78

Production Cement - Circulate cement w/ 380sx Tuned Light cmt w/ .125#/sx Poly-E-Flake + 2#/sx HR-800 + 3#/sx Kol-Seal, 9.8ppg (10.2 downhole) 3.45 yield 706# 24hr CS 100% Excess followed by 770sx Super H cmt w/ .4% CFR-3 + .5% Halad-344 + .1% HR-601 + 3#/sx Kol-Seal + .125#/sx Poly-E-Flake, 13.2ppg 1.63 yield 1275# 24hr CS 40% Excess,

Contingency 2nd Stage - Cement w/ 410sx PP cmt w/ 3#/sx salt, 12.4ppg 2.05 yield 500# 27hr CS 10% Excess followed by 80sx PP cmt, 14.8ppg 1.33 yield 1849# 24hr CS 50# excess.

Description of Cement Additives: Salt (Accelerator); CFR-3 (Dispersant); Kol-Seal, Poly-E-Flake (Lost Circulation Additive); Halad-344 (Low Fluid Loss Control); HR-601, HR-800 (Retarder)

The above cement volumes could be revised pending the caliper measurement.

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

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

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

☑ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-41237	51689	Red Tank Delaware, West

Property Code	Property Name	Well Number
39974	RED TANK "33" FEDERAL	1H

OGRID No.	Operator Name	Elevation
16696	OXY USA INC.	3636.6'

Surface Location

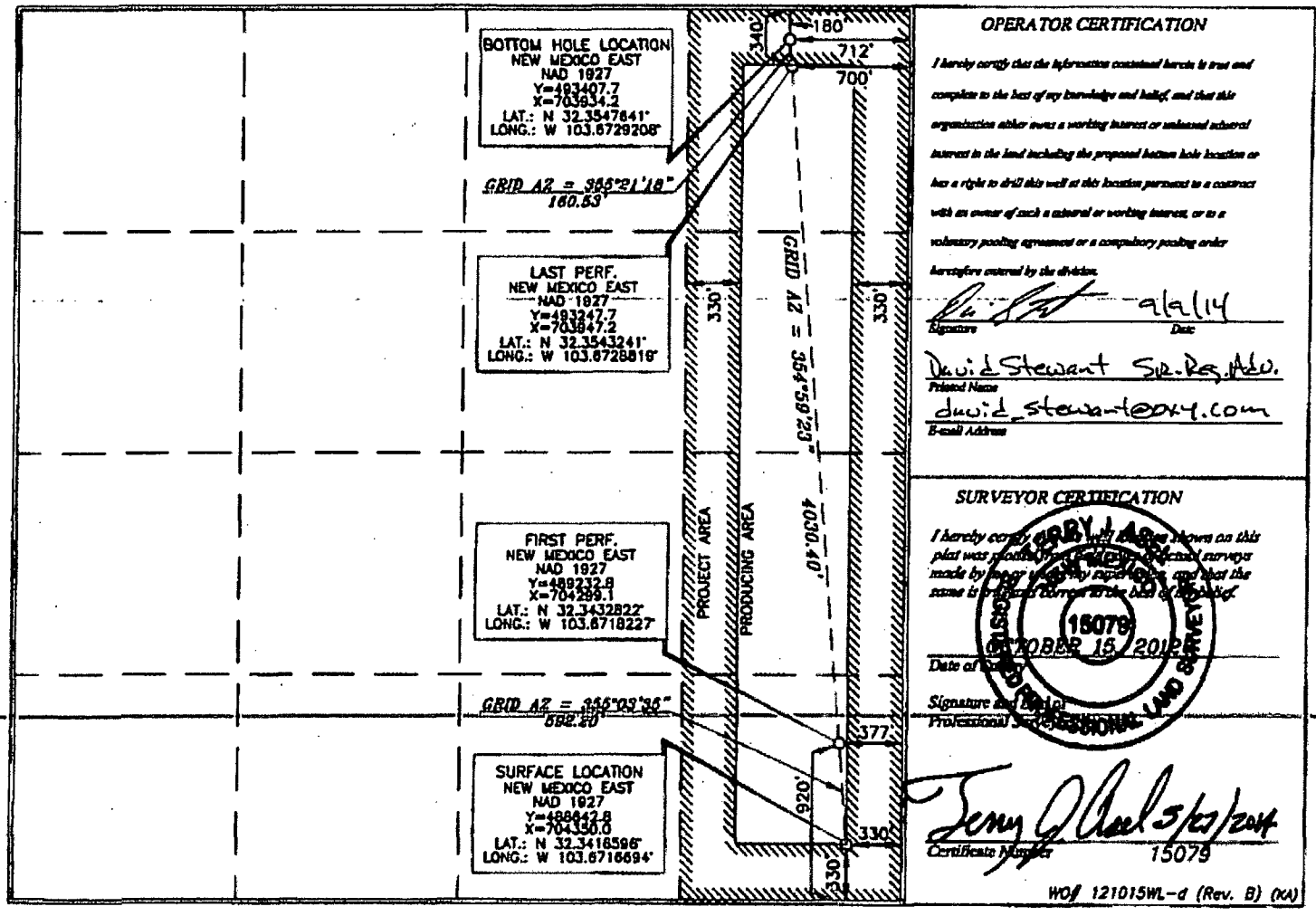
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	22 SOUTH	32 EAST, N.M.P.M.		330'	SOUTH	330'	EAST	LEA

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
A	33	22 SOUTH	32 EAST, N.M.P.M.		180'	NORTH	712'	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160	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.



OPERATOR CERTIFICATION

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

9/9/14
Signature Date

David Stewart Sr. Reg. Adv.
Printed Name

david_stewart@oxy.com
E-mail Address

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 supervision, and that the same is true and correct to the best of my belief.

15079
OCTOBER 15, 2012
Date of Survey

Signature and Seal of Professional Surveyor

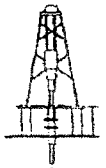
Certificate Number 15079

WO# 121015WL-d (Rev. B) (KA)

OXY Permian

Scientific Drilling

Red Tank 33 Federal 1H 1H
Lea County, New Mexico
Northing: (Y) 488642.80
Easting: (X) 704350.00
Plan #2



WELL DETAILS:

Ground Level: 3636.8

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.0	0.0	488642.80	704350.00	32° 20' 29.974 N	103° 40' 18.011 W

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
7893.7	0.00	0.00	7893.7	0.0	0.0	0.00	0.00	0.0	
8799.8	90.61	355.01	8466.6	576.9	-50.3	10.00	355.01	579.1	
13004.0	90.61	355.01	8421.6	4784.9	-415.8	0.00	0.00	4783.0	BHL (#1H)

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting
BHL (#1H)	8421.6	4784.9	-415.8	493497.70	703934.20
LAST PERF (#1H)	8421.6	4504.9	-402.8	493247.70	703947.20
FIRST PERF (#1H)	8466.6	590.0	-50.9	489232.80	704299.10

SITE DETAILS: Red Tank 33 Federal 1H
Site Centre Northing: 488642.80
Easting: 704350.00
Positional Uncertainty: 0.0
Convergence: 0.35
Local North: Grid

PROJECT DETAILS: Lea County, New Mexico
Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001
System Datum: Mean Sea Level

LEGEND
Plan #2

Map System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone Name: New Mexico East 3001

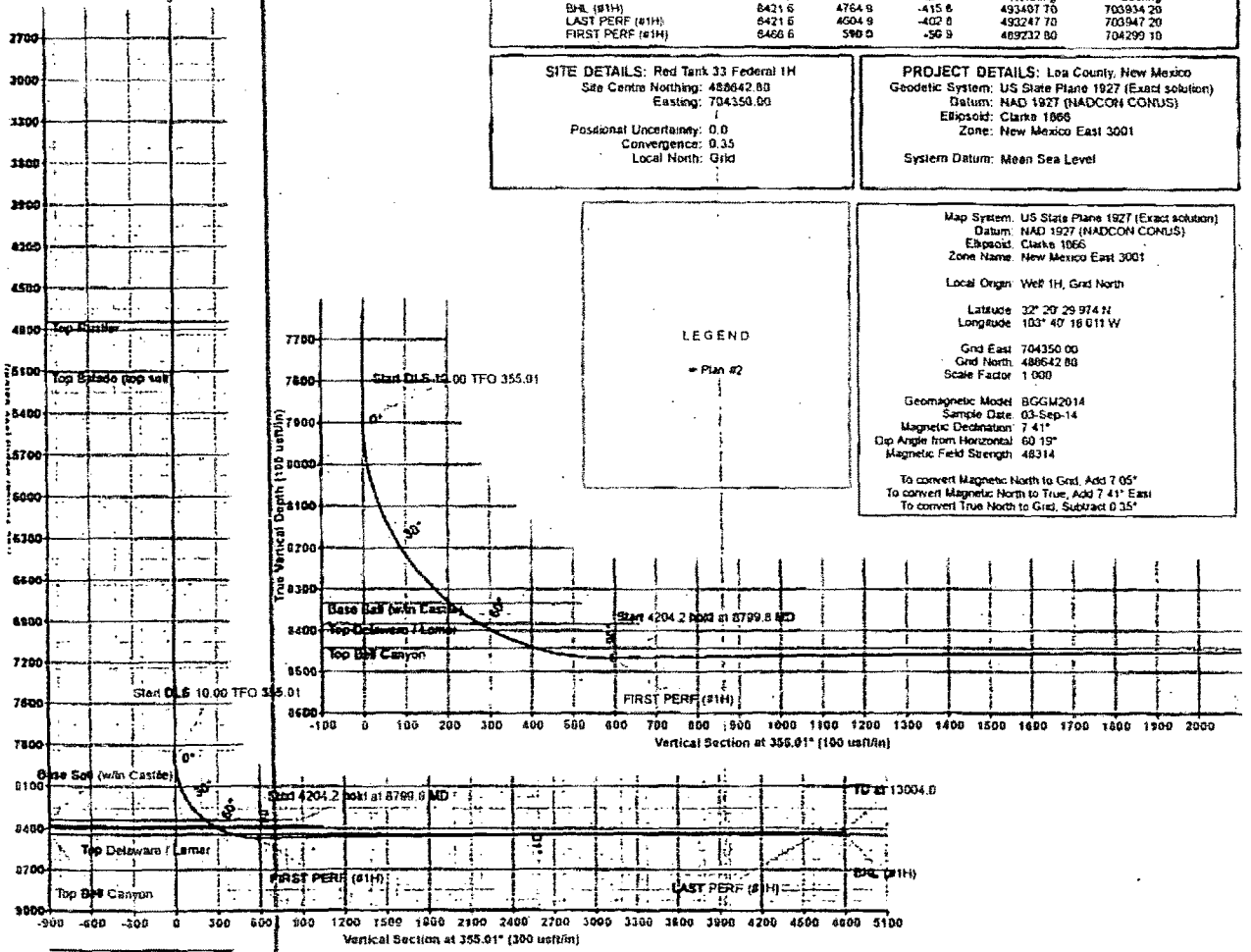
Local Origin: Well 1H, Grid North

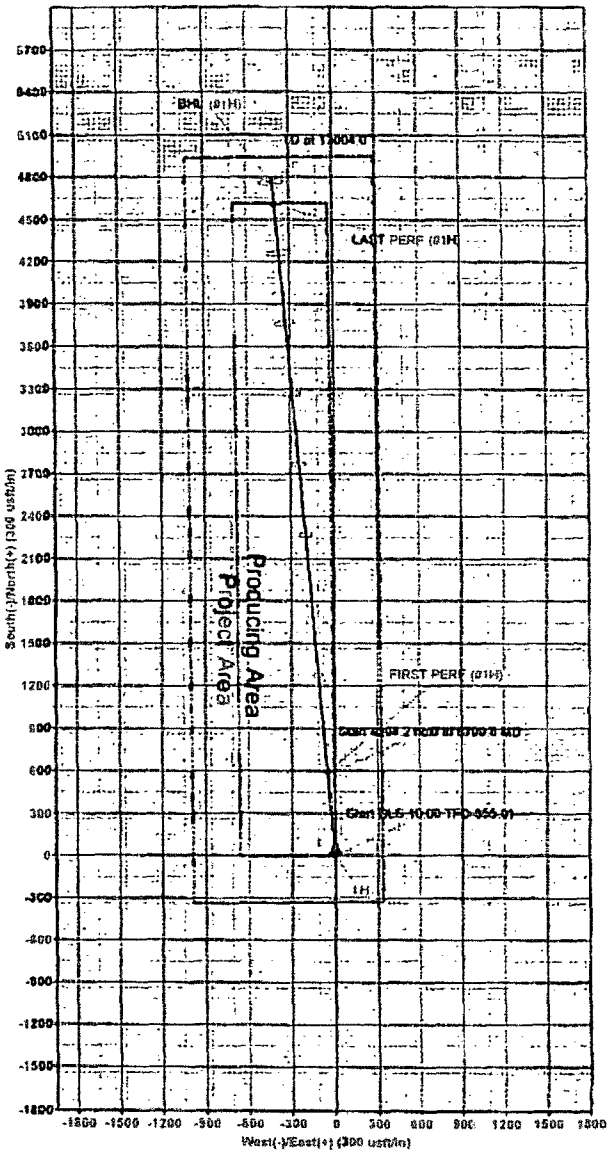
Latitude 32° 20' 29.974 N
Longitude 103° 40' 18.011 W

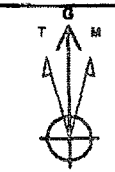
Grid East 704350.00
Grid North 488642.80
Scale Factor 1.000

Geomagnetic Model: BGGM2014
Sample Date: 03-Sep-14
Magnetic Declination: 7.41°
Dip Angle from Horizontal: 60.19°
Magnetic Field Strength: 48314

To convert Magnetic North to Grid, Add 7.05°
To convert Magnetic North to True, Add 7.41° East
To convert True North to Grid, Subtract 0.35°







Azimuths to Grid North
True North: -0.35°
Magnetic North: 7.05°

Magnetic Field
Strength: 48313.6nT
Dip Angle: 60.19°
Date: 9/3/2014
Model: BGGM2014

To convert Magnetic North to Grid, Add 7.05°
To convert True North to Grid, Subtract 0.35°

James Dunn
10:01 September 04 2014
Scientific Drilling
325 Flewellen Rd
Odessa, TX 79765

Database:	Midland District	Local Co-ordinate Reference:	Well 1H
Company:	OXY	TVD Reference:	KB=25 @ 3661.6usft
Project:	Lea County, New Mexico	MD Reference:	KB=25 @ 3661.6usft
Site:	Red Tank 33 Federal 1H	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #2		

Project: Lea County, New Mexico

Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site: Red Tank 33 Federal 1H

Site Position:		Northing:	488,642.80 usft	Latitude:	32° 20' 29.974 N
From:	Map	Easting:	704,350.00 usft	Longitude:	103° 40' 18.011 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.35 °

Well: 1H

Well Position	+N/-S	0.0 usft	Northing:	488,642.80 usft	Latitude:	32° 20' 29.974 N
	+E/-W	0.0 usft	Easting:	704,350.00 usft	Longitude:	103° 40' 18.011 W
Position Uncertainty		0.0 usft	Wellhead Elevation:	0.0 usft	Ground Level:	3,636.6 usft

Wellbore: OH

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	BGGM2014	9/3/2014	7.41	60.19	48,314

Design: Plan #2

Audit Notes:

Version:		Phase:	PLAN	Tie On Depth:	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	355.01

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
7,893.7	0.00	0.00	7,893.7	0.0	0.0	0.00	0.00	0.00	0.00	
8,799.8	90.61	355.01	8,466.6	576.9	-50.3	10.00	10.00	-0.55	355.01	
13,004.0	90.61	355.01	8,421.6	4,764.9	-415.8	0.00	0.00	0.00	0.00	BHL (#1H)

Database:	Midland District	Local Co-ordinate Reference:	Well 1H
Company:	OXY	TVD Reference:	KB=25 @ 3661.6usft
Project:	Lea County, New Mexico	MD Reference:	KB=25 @ 3661.6usft
Site:	Red Tank 33 Federal 1H	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #2		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,743.2	0.00	0.00	4,743.2	0.0	0.0	0.0	0.00	0.00	0.00
Top Rustler									
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00

Database:	Midland District	Local Co-ordinate Reference:	Well 1H
Company:	OXY	TVD Reference:	KB=25 @ 3661.6usft
Project:	Lea County, New Mexico	MD Reference:	KB=25 @ 3661.6usft
Site:	Red Tank 33 Federal 1H	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #2		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,103.2	0.00	0.00	5,103.2	0.0	0.0	0.0	0.00	0.00	0.00
Top Salado (top salt)									
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00	0.00	0.00
7,600.0	0.00	0.00	7,600.0	0.0	0.0	0.0	0.00	0.00	0.00
7,700.0	0.00	0.00	7,700.0	0.0	0.0	0.0	0.00	0.00	0.00
7,800.0	0.00	0.00	7,800.0	0.0	0.0	0.0	0.00	0.00	0.00
7,893.7	0.00	0.00	7,893.7	0.0	0.0	0.0	0.00	0.00	0.00
7,900.0	0.63	355.01	7,900.0	0.0	0.0	0.0	10.00	10.00	0.00
7,950.0	5.63	355.01	7,949.9	2.8	-0.2	2.8	10.00	10.00	0.00
8,000.0	10.63	355.01	7,999.4	9.8	-0.9	9.8	10.00	10.00	0.00
8,050.0	15.63	355.01	8,048.1	21.1	-1.8	21.2	10.00	10.00	0.00
8,100.0	20.63	355.01	8,095.6	36.6	-3.2	36.7	10.00	10.00	0.00
8,150.0	25.63	355.01	8,141.5	56.2	-4.9	56.4	10.00	10.00	0.00
8,200.0	30.63	355.01	8,185.6	79.6	-6.9	79.9	10.00	10.00	0.00
8,250.0	35.63	355.01	8,227.5	106.9	-9.3	107.3	10.00	10.00	0.00
8,300.0	40.63	355.01	8,266.8	137.6	-12.0	138.1	10.00	10.00	0.00
8,350.0	45.63	355.01	8,303.3	171.6	-15.0	172.3	10.00	10.00	0.00
8,394.6	50.09	355.01	8,333.2	204.6	-17.9	205.4	10.00	10.00	0.00
Base Salt (w/in Castile)									
8,400.0	50.63	355.01	8,336.6	208.7	-18.2	209.5	10.00	10.00	0.00
8,450.0	55.63	355.01	8,366.6	248.6	-21.7	249.5	10.00	10.00	0.00
8,480.6	58.69	355.01	8,383.2	274.1	-23.9	275.2	10.00	10.00	0.00
Top Delaware / Lamar									
8,500.0	60.63	355.01	8,393.0	290.8	-25.4	292.0	10.00	10.00	0.00
8,550.0	65.63	355.01	8,415.6	335.3	-29.3	336.5	10.00	10.00	0.00
8,600.0	70.63	355.01	8,434.2	381.5	-33.3	382.9	10.00	10.00	0.00
8,629.2	73.55	355.01	8,443.2	409.1	-35.7	410.7	10.00	10.00	0.00
Top Bell Canyon									
8,650.0	75.63	355.01	8,448.7	429.1	-37.4	430.8	10.00	10.00	0.00
8,700.0	80.63	355.01	8,459.0	477.9	-41.7	479.7	10.00	10.00	0.00

Database:	Midland District	Local Co-ordinate Reference:	Well 1H
Company:	OXY	TVD Reference:	KB=25 @ 3661.6usft
Project:	Lea County, New Mexico	MD Reference:	KB=25 @ 3661.6usft
Site:	Red Tank 33 Federal 1H	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #2		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,750.0	85.63	355.01	8,465.0	527.3	-46.0	529.3	10.00	10.00	0.00
8,799.8	90.61	355.01	8,466.6	576.9	-50.3	579.1	10.00	10.00	0.00
8,900.0	90.61	355.01	8,465.6	676.7	-59.0	679.3	0.00	0.00	0.00
9,000.0	90.61	355.01	8,464.5	776.3	-67.7	779.2	0.00	0.00	0.00
9,100.0	90.61	355.01	8,463.4	875.9	-76.4	879.2	0.00	0.00	0.00
9,200.0	90.61	355.01	8,462.3	975.5	-85.1	979.2	0.00	0.00	0.00
9,300.0	90.61	355.01	8,461.3	1,075.1	-93.8	1,079.2	0.00	0.00	0.00
9,400.0	90.61	355.01	8,460.2	1,174.8	-102.5	1,179.2	0.00	0.00	0.00
9,500.0	90.61	355.01	8,459.1	1,274.4	-111.2	1,279.2	0.00	0.00	0.00
9,600.0	90.61	355.01	8,458.1	1,374.0	-119.9	1,379.2	0.00	0.00	0.00
9,700.0	90.61	355.01	8,457.0	1,473.6	-128.6	1,479.2	0.00	0.00	0.00
9,800.0	90.61	355.01	8,455.9	1,573.2	-137.3	1,579.2	0.00	0.00	0.00
9,900.0	90.61	355.01	8,454.8	1,672.8	-146.0	1,679.2	0.00	0.00	0.00
10,000.0	90.61	355.01	8,453.8	1,772.5	-154.7	1,779.2	0.00	0.00	0.00
10,100.0	90.61	355.01	8,452.7	1,872.1	-163.4	1,879.2	0.00	0.00	0.00
10,200.0	90.61	355.01	8,451.6	1,971.7	-172.1	1,979.2	0.00	0.00	0.00
10,300.0	90.61	355.01	8,450.6	2,071.3	-180.7	2,079.2	0.00	0.00	0.00
10,400.0	90.61	355.01	8,449.5	2,170.9	-189.4	2,179.2	0.00	0.00	0.00
10,500.0	90.61	355.01	8,448.4	2,270.5	-198.1	2,279.2	0.00	0.00	0.00
10,600.0	90.61	355.01	8,447.3	2,370.1	-206.8	2,379.2	0.00	0.00	0.00
10,700.0	90.61	355.01	8,446.3	2,469.8	-215.5	2,479.1	0.00	0.00	0.00
10,800.0	90.61	355.01	8,445.2	2,569.4	-224.2	2,579.1	0.00	0.00	0.00
10,900.0	90.61	355.01	8,444.1	2,669.0	-232.9	2,679.1	0.00	0.00	0.00
11,000.0	90.61	355.01	8,443.1	2,768.6	-241.6	2,779.1	0.00	0.00	0.00
11,100.0	90.61	355.01	8,442.0	2,868.2	-250.3	2,879.1	0.00	0.00	0.00
11,200.0	90.61	355.01	8,440.9	2,967.8	-259.0	2,979.1	0.00	0.00	0.00
11,300.0	90.61	355.01	8,439.8	3,067.5	-267.7	3,079.1	0.00	0.00	0.00
11,400.0	90.61	355.01	8,438.8	3,167.1	-276.4	3,179.1	0.00	0.00	0.00
11,500.0	90.61	355.01	8,437.7	3,266.7	-285.1	3,279.1	0.00	0.00	0.00
11,600.0	90.61	355.01	8,436.6	3,366.3	-293.8	3,379.1	0.00	0.00	0.00
11,700.0	90.61	355.01	8,435.6	3,465.9	-302.4	3,479.1	0.00	0.00	0.00
11,800.0	90.61	355.01	8,434.5	3,565.5	-311.1	3,579.1	0.00	0.00	0.00
11,900.0	90.61	355.01	8,433.4	3,665.2	-319.8	3,679.1	0.00	0.00	0.00
12,000.0	90.61	355.01	8,432.4	3,764.8	-328.5	3,779.1	0.00	0.00	0.00
12,100.0	90.61	355.01	8,431.3	3,864.4	-337.2	3,879.1	0.00	0.00	0.00
12,200.0	90.61	355.01	8,430.2	3,964.0	-345.9	3,979.1	0.00	0.00	0.00
12,300.0	90.61	355.01	8,429.1	4,063.6	-354.6	4,079.1	0.00	0.00	0.00
12,400.0	90.61	355.01	8,428.1	4,163.2	-363.3	4,179.1	0.00	0.00	0.00
12,500.0	90.61	355.01	8,427.0	4,262.8	-372.0	4,279.0	0.00	0.00	0.00
12,600.0	90.61	355.01	8,425.9	4,362.5	-380.7	4,379.0	0.00	0.00	0.00
12,700.0	90.61	355.01	8,424.9	4,462.1	-389.4	4,479.0	0.00	0.00	0.00
12,800.0	90.61	355.01	8,423.8	4,561.7	-398.1	4,579.0	0.00	0.00	0.00
12,900.0	90.61	355.01	8,422.7	4,661.3	-406.8	4,679.0	0.00	0.00	0.00
13,004.0	90.61	355.01	8,421.6	4,764.9	-415.8	4,783.0	0.00	0.00	0.00

Database:	Midland District	Local Co-ordinate Reference:	Well 1H
Company:	OXY	TVD Reference:	KB=25 @ 3661.6usft
Project:	Lea County, New Mexico	MD Reference:	KB=25 @ 3661.6usft
Site:	Red Tank 33 Federal 1H	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #2		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BHL (#1H) - plan hits target center - Point	0.00	0.00	8,421.6	4,764.9	-415.8	493,407.70	703,934.20	32° 21' 17.151 N	103° 40' 22.514 W
LAST PERF (#1H) - plan misses target center by 2.0usft at 12843.5usft MD (8423.3 TVD, 4605.0 N, -401.8 E) - Point	0.00	0.00	8,421.6	4,604.9	-402.8	493,247.70	703,947.20	32° 21' 15.567 N	103° 40' 22.374 W
FIRST PERF (#1H) - plan misses target center by 0.6usft at 8812.9usft MD (8466.5 TVD, 589.9 N, -51.5 E) - Point	0.00	0.00	8,466.6	590.0	-50.9	489,232.80	704,299.10	32° 20' 35.816 N	103° 40' 18.561 W

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
4,743.2	4,743.2	Top Rustler			
5,103.2	5,103.2	Top Salado (top salt)			
8,394.6	8,333.2	Base Salt (w/in Castile)			
8,480.6	8,383.2	Top Delaware / Lamar			
8,629.2	8,443.2	Top Bell Canyon			

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA Inc
LEASE NO.:	NM77060
WELL NAME & NO.:	1H Red Tank 33 Federal
SURFACE HOLE FOOTAGE:	330' FSL & 330' FEL
BOTTOM HOLE FOOTAGE	330' FNL & 700' FEL
LOCATION:	Section 33, T.22 S., R.32 E., NMPM
COUNTY:	Lea County, New Mexico
API:	30-025-41237

The original COAs still stand with the following drilling modifications:

I. DRILLING

A. DRILLING OPERATIONS 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)

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

1. A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**

2. 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. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.**

3. 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 is located, this does not include the dog house or stairway area.

4. **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.**

B. CASING

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.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible water and brine flows in the Salado and Castile groups.
Possible lost circulation in the Delaware and Bone Springs.

1. The **11-3/4** inch surface casing shall be set at approximately **1130** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**

    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 is to include the lead cement slurry.

    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.

Formation below the 11-3/4" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

2. The minimum required fill of cement behind the **8-5/8** inch intermediate casing, which shall be set at approximately **4695** feet, is:

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

Formation below the 8-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

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

    ☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

Operator has proposed a contingency DV tool at 4795'. If operator circulates cement on the first stage, operator is approved to run the DV tool cancellation plug and cancel the second stage of the proposed cement plan. If cement does not circulate, operator will proceed with the second stage.

a. Second stage above DV tool:

☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. 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.

C. 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. Variance approved to use flex line from BOP to choke manifold. 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.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

3. **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 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. **Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.**
    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.**

5M 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. 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. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.

    c. 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.

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

e. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**

f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes 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.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. 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.

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