

District I  
625 N. French Dr., Hobbs, NM 88240  
District II  
301 W. Grand Avenue, Artesia, NM 88210  
District III  
000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
220 S. St. Francis Dr., Santa Fe, NM 87505

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

JUL 17 2015

Submit to appropriate District Office

RECEIVED

AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Occidental Permian Ltd. P.O. Box 4294, Houston, TX 77210-4294		<sup>2</sup> OGRID Number 157984
<sup>4</sup> Property Code 19552	<sup>5</sup> Property Name South Hobbs G/SA Unit	<sup>3</sup> API Number 30-025-42694
<sup>9</sup> Proposed Pool 1 Hobbs; Grayburg - San Andres (31920)		<sup>6</sup> Well No. 260
<sup>10</sup> Proposed Pool 2		

**Surface Location**

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
I	4	19-S	38-E		2018	South	607	East	Lea

**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
L	3	19-S	38-E		1379	South	2	West	Lea

**Additional Well Location**

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code I	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3612.0'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 4550' TVD/4670' MD	<sup>18</sup> Formation San Andres	<sup>19</sup> Contractor H&P 340	<sup>20</sup> Spud Date 12/17/15

**<sup>1</sup> 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	1700	640	Surface
8-3/4	7	26	4670	750	Surface

<sup>2</sup> 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.

See attached for BOP program.

Oxy will 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 is also attached).

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

Signature: *Mark Stephens*

Printed name: Mark Stephens

Title: Regulatory Compliance Analyst

E-mail Address: Mark.Stephens@oxy.com

Date: 7/15/15

Phone: (713) 366-5158

<b>OIL CONSERVATION DIVISION</b>	
Approved by: <i>[Signature]</i>	
Title: <b>Petroleum Engineer</b>	
Approval Date: <i>07/21/15</i>	Expiration Date: <i>07/21/17</i>
Conditions of Approval Attached <input type="checkbox"/>	

JUL 22 2015

*pm*

CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-42696	Occidental Permian LTD	South Hobbs G/SA Unit # 260

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

XXXXXXX	If within City Limits No Pits – Must use close loop
XXXXXXX	Will require administrative order for injection or disposal prior to injection or disposal

Other wells

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Drilling

XXXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Casing

XXXXXXX	SURFACE CASING - Cement must circulate to surface --
XXXXXXX	PRODUCTION CASING - Cement must circulate to surface --
XXXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
	South Area
XXXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

Completion & Production

XXXXXXX	Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114
XXXXXXX	Must conduct & pass MIT prior to any injection

Lost Circulation

XXXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

Stage Tool

XXXXXXX	Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186
XXXXXXX	If using Stage Tool on Surface casing, Stage Tool must be greater than 350' and a minimum 200 feet above surface shoe.
XXXXXXX	When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.