

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 OGD

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

MAY 27 2011

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address OXY USA Inc. P.O. Box 50250 Midland, TX 79710-0250			² OGRID Number 16696	
⁴ Property Code 304902			³ API Number 30- 025-27780	
⁵ Property Name NBR			⁶ Well No. 2	
⁹ Proposed Pool 1 Red Tank Bone Spring			¹⁰ Proposed Pool 2 East Red Tank Bone Spring (51687)	

⁷Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
F	18	22S	33E		1980	north	1864	west	Lea

⁸Proposed 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

Additional Well Location

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3283'
¹⁶ Multiple N/A	¹⁷ Proposed Depth TD-15300' PB-9950'	¹⁸ Formation Bone Spring	¹⁹ Contractor N/A	²⁰ Spud Date After Approval
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	54.5	768'	800	Surf-Circ
12-1/4"	10-3/4"	40.5-45.5-51	4851'	1650	Surf-Circ
9-1/2"	7-5/8"	26-29	12201'	2000	4810'-TS
6-1/2"	5"	15	11788-15040'	625	11788'

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.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

See Attachment

Plugback

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OGD-approved plan <input type="checkbox"/> . Signature: <i>David Stewart</i>		OIL CONSERVATION DIVISION	
Printed name: David Stewart		Approved by: <i>[Signature]</i>	
Title: Regulatory Advisor		Title: <i>PETROLEUM ENGINEER</i>	
E-mail Address: david_stewart@oxy.com		Approval Date: JUN 02 2011 Expiration Date:	
Date: 5/25/11	Phone: 432-685-5717	Conditions of Approval: Attached <input type="checkbox"/>	

JUN 02 2011

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State of New Mexico
Energy, Minerals & Natural Resources **HOBBS OGD**

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

MAY 27 2011

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27780	² Pool Code 51683 51687	³ Pool Name Red Tank Bone Spring East
⁴ Property Code 304902	⁵ Property Name NBR	⁶ Well Number 2
⁷ OGRID No. 16696	⁸ Operator Name OXY USA Inc.	⁹ Elevation 3631' GL

¹⁰ 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	18	22S	33E		1980	north	1864	west	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 	¹⁷ 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. Signature Date 5/25/11 Printed Name David Stewart Regulatory Advisor david.stewart@oxy.com
	¹⁸ 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. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

Procedure:

- 1) CLEAN LOCATION & SET ANCHORS
- 2) RU DDPU, NU BOP.
- 3) RIH w/CIBP and set at 14,375'. Pump 25sx cement on CIBP. Reverse out tbg and pull up hole to 13,500'.
- 4) RIH and spot a 25sx cmt plug from 13,550 – 13,750. POOH w/tubing Reverse out tbg and pull up hole to 11,700'.
- 5) RIH and spot a 25sx cmt plug from 11,738-11,840'. WOC and tag plug. POOH w/tbg LD excess.
- 6) RIH w/tbg and set CIBP at 9950'.
- 7) TEST CASING AND WELLHEAD TO 4500PSI. (THE LESSER OF: WELLHEAD RATING OR 80% OF CASING BURST AND HOLD 30 MINUTES. TEST PRESSURE SHOULD BE GREATER THAN ANTICIPATED FRAC PRESSURE.)

(BLM REGS FOR CASING TESTS: 0.22 PSI/ FT OF DEPTH W/ MINIMUM OF 1500 PSI NOT TO EXCEED 70% OF BURST – PRESSURE LOSS GREATER THAN 10% IN 30 MINUTES REQUIRES CORRECTIVE ACTION - CHART NOT REQUIRED – PRESSURE, TIME, & RESULTS TO BE REPORTED ON DAILY REPORTS).

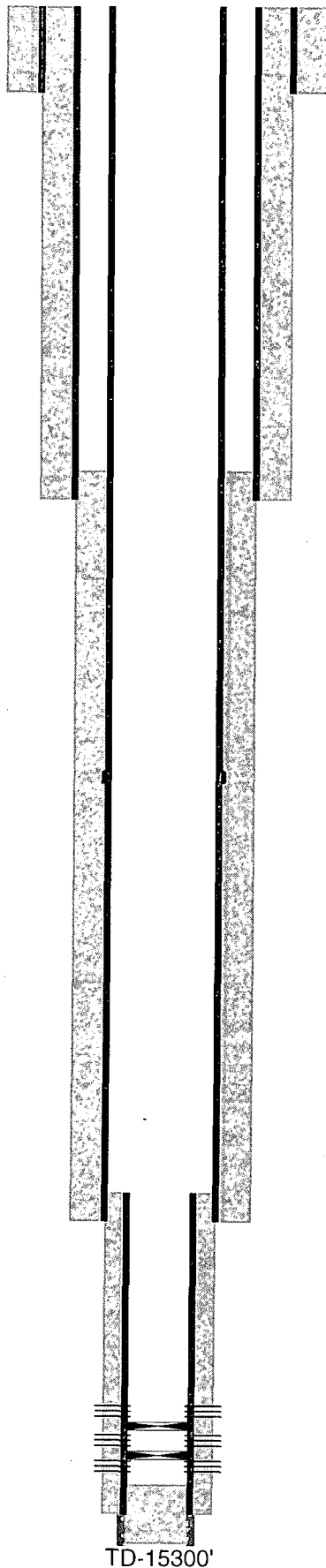
(BLM REGULATION IS TO TEST TO 70% OF BURST AS THE MAX TEST REQUIRED. OXY CONSIDERS 80 % OF BURST AS ACCEPTABLE ON NEW CASING CONSIDERING THE TOTAL CASING DESIGN AND INTERNAL & EXTERNAL HYDROSTATIC PRESSURE.)

NOTE: 7 5/8" Casing is 29 & 26.4# has a burst rating of 7150psi.

STAGE # 1

- 8) RIH w/ tubing and spot 2000 gal 7.5% NEFE acid at 9900'. POOH w/ tubing and LD.
- 9) ND BOP and NU Frac valve. RD DDPU.
- 10) RU WLU and PERF THE Bone Springs sand from 9860-70' and 9880-90' (20 TOTAL HOLES) W/ centralized 4" HSD Power Jet Omega w/4005 Charge w/EHD of .48" and penetration of 51.7" W/1 JSPF ON 120 DEGREE SPIRAL PHASING. RD WLU.
- 11) FRAC WELL AS DIRECTED DOWN CSG AT 1ST AVAILABLE FRAC DATE AS PER HALLIBURTON FRAC PROCEDURE. RUN 2 DRUMS SCALE INHIBITOR IN PRE-PAD. FLUSH FRAC W/Fresh water.
- 12) SI WELL FOR 12-24 HOURS (TO CURE RESIN COATED SAND) FLOW BACK LOAD UNTIL DEAD.
- 13) RU DDPU. ND FRAC VALVE AND NU BOP.
- 14) TIH W/ 2 7/8" tbg w/ NC (USE FOAM UNIT IF NECESSARY) AND Clean out to PBTD (9950')
- 15) POH & RIH W/ PRODUCTION BHA AS DIRECTED. ND BOP, NU WH. **RD DDPU.**
- 16) TEST WELL INTO BATTERY.

OXY USA Inc. - Current
NBR #2
API No. 30-025-27780



17-1/2" hole @ 770'
13-3/8" csg @ 768'
w/ 800sx-TOC-Surf-Circ

12-1/4" hole @ 4851'
10-3/4" csg @ 4851'
w/ 1650sx-TOC-Surf-Circ

9-1/2" hole @ 12201'
7-5/8" csg @ 12201'
DVT @ 7979'
1st w/ 800sx-TOC-7975'-Circ
2nd w/ 1200sx-TOC-4810'-TS

6-1/2" hole @ 15300'
5" liner @ 11788-15040'
w/ 625sx-TOC-11788'-15040'

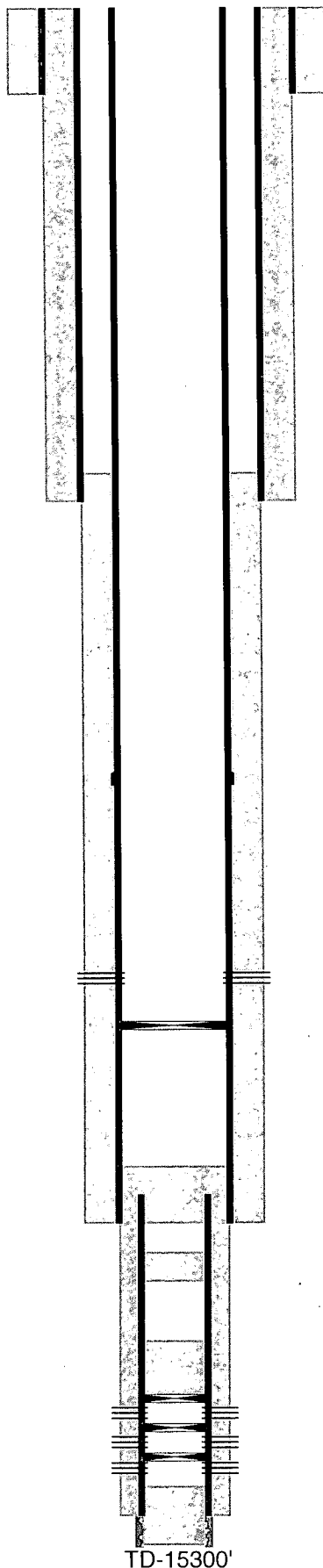
Perfs @ 14422-14426'
Perfs @ 14560-14568'
Perfs @ 14702-14941'

2/97-CIBP @ 14525'
2/97-CIBP @ 14675'

PB-14996'

TD-15300'

OXY USA Inc. - Proposed
NBR #2
API No. 30-025-27780



17-1/2" hole @ 770'
13-3/8" csg @ 768'
w/ 800sx-TOC-Surf-Circ

12-1/4" hole @ 4851'
10-3/4" csg @ 4851'
w/ 1650sx-TOC-Surf-Circ

Perfs @ 9860-9890'

CIBP @ 9950'

25sx @ 11840-11738' WOC-Tag

25sx @ 13750-13550'

CIBP @ 14375' w/ 25sx to 14175'

2/97-CIBP @ 14525'
2/97-CIBP @ 14675'

9-1/2" hole @ 12201'
7-5/8" csg @ 12201'
DVT @ 7979'
1st w/ 800sx-TOC-7975'-Circ
2nd w/ 1200sx-TOC-4810'-TS

6-1/2" hole @ 15300'
5" liner @ 11788-15040'
w/ 625sx-TOC-11788'-15040'

Perfs @ 14422-14426'
Perfs @ 14560-14568'
Perfs @ 14702-14941'

PB-14996'

TD-15300'