

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

OXY USA Inc.

16696

3. ADDRESS AND TELEPHONE NO.

P.O. Box 50250 Midland, TX 79710-0250 915-685-5717

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface

760 FSL 550 FEL SESE(P)

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 miles Southeast of Maljamar, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

550'

16. NO. OF ACRES IN LEASE

681

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

4221'

19. PROPOSED DEPTH

12000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, ET, GR, etc.)

4002'

22. APPROX. DATE WORK WILL START*

7/1/96

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" H40	48#	400'	300sx - circulated
11"	8-5/8" K55	24-32#	3000'	1100sx - circulated
7-7/8"	5-1/2" N80	17-20#	12000'	1250sx - Est TOC @ 2500'

It is proposed to drill this well to A TD of 12000' and test the Wolfcamp formation.

The Blowout Prevention Program is as follows:

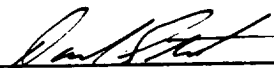
- 1) One set of Drill Pipe Rams (5M).
- 2) One set of Blind Rams (5M).
- 3) One Hydrill (5M).

OPER. OGRID NO. 16696
PROPERTY NO. 18794
POOL CODE 13320
EFF. DATE 7/22/96
API NO. 30-025-33520APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED



TITLE

David Stewart

Regulatory Analyst

DATE

5/31/96

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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 thereunder.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

PATRICIA A. BURKE

TITLE

Acting

AREA MANAGER

DATE

JUL 16 1996

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Euc Brazos Rd., Artec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 33520	Pool Code 13320	Pool Name South Corbin Wolfcamp
Property Code 18794	Property Name Federal "AE"	Well Number 15
OGRIID No. 16696	Operator Name Oxy USA Inc.	Elevation 4002'

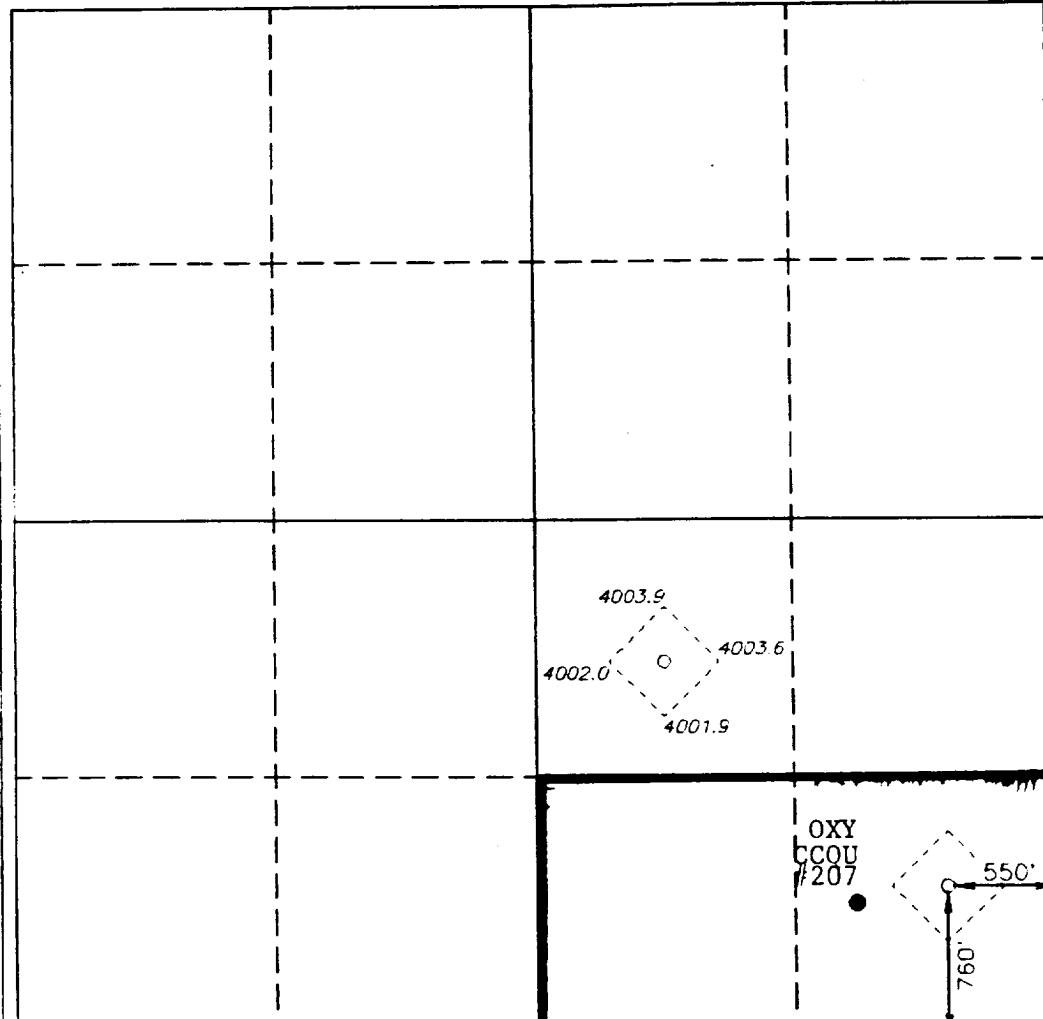

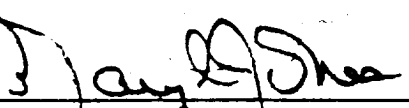
Surface Location

UL or lot No. P	Section 4	Township 18 S	Range 33 E	Lot Idn	Feet from the 760	North/South line South	Feet from the 550	East/West line East	County Lea
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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
Dedicated Acres 80	Joint or Infill N	Consolidation Code	Order No.						

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.  Signature David Stewart Printed Name Regulatory Analyst Title 5/31/96 Date
	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. May-23, 1996 Date Surveyed  Signature & Seal of Professional Surveyor W.O. # 6208B Certificate No. - GARY L. JONES, 7977



OXY USA Inc.
P.O. Box 50250, Midland, TX 79710-0250

May 31, 1996

United States Department of the Interior
Bureau of Land Management
Carlsbad Resource Area
620 E. Greene Street
Carlsbad, New Mexico 88220-6292

Re: Application for Permit to Drill
OXY USA Inc.
Federal AE #15
Lea County, New Mexico
Lease No. NMLC029489B

Gentlemen:

OXY USA Inc. respectfully requests permission to drill our Federal AE #15 located 760 FSL and 550 FEL of Section 4, T18S, R33E, Lea County, New Mexico, Federal Lease No. NMLC029489B. The proposed well will be drilled to a TD of approximately 12,000' (TVD). The location and work area have been staked. It is approximately 8 miles Southeast of Maljamar, 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.
2. 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 May 23, 1996.
3. The elevation of the unprepared ground is 4002 feet above sea level.
4. The geologic name of the surface formation is Tertiary Ogallala.
5. Rotary drilling equipment will be utilized to drill the well to TD 12,000' (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 12,000' TVD.

7. Estimated tops of important geologic markers.

Anhydrite	1530' TVD
Yates	3056' TVD
Seven Rivers	3461' TVD
Queen	4237' TVD
1st Bone Spring Sand	8175' TVD
Wolfcamp	9993' TVD

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

Primary Objective:	Wolfcamp	11181' TVD
Secondary Objective:	Bone Springs	8907' TVD

9. The proposed casing program is as follows:

Surface: 13-3/8" OD 48# H40 ST&C new casing

Intermediate: 8-5/8" OD 24-32# K55 ST&C new casing
600' - 32# 2400' - 24#

Production: 5-1/2" OD 17-20# N-80 LT&C new casing
1500' - 20# 10500' - 17#

10. Casing setting depth and cementing program:

- A. 13-3/8" surface casing set at 400' in 17-1/2" hole. Circulate cement with 300sx Class C with 2% CaCl_2 .

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_2 .

- B. 8-5/8" intermediate casing set at 3000' in 11" hole. Circulate cement with 900 sx Class C Lite + 8 #/sx salt + 0.25 #/sx Cello-Seal. Tail-in with 200 sx class C with 2% CaCl_2 .

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_2 .

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

- C. 5-1/2" production casing set at 12,000'. Cement with 1050sx Class H + 3% Econolite + 5#/sx salt + .25#/sx Cello-seal. Tail-in with 200sx 50/50 Poz A/Class H + 2% Gel + 3#/sx KCl + 0.5% Halad 322.

Estimated top of cement is 2500'.

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

11. Pressure Control Equipment

0' - 400'	None
400' - 3000'	13-3/8" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular preventer.
3000' - 12000'	13-3/8" 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 8000'. Exhibit A.

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 - 400'	Fresh water/native mud. Wt. 8.7-9.0 ppg, vis 33-35 sec, Lime for pH control (9-10). Paper for seepage.
400' - 3000'	Brine water. Wt. 10.0-10.1 ppg, vis 26-28 sec. Lime for pH control (9.5-10). Paper for seepage.
3000' - 9600'	Cut brine. Wt. 9.0 - 9.2 ppg, vis 26-28 sec, Lime for pH control (9.5 to 10).
9600' - 12000'	Mud up with a Duovis/Poly Pac system using Duovis for viscosity with the following characteristics: Wt. 9.0 - 9.3 ppg, Vis 30-32sec, WL 6-10cc

13. Testing, Logging and Coring Program:
 - A. Testing program: DST possible for Wolfcamp.
 - B. Mud logging program: One man unit from 5000' to TD.
 - C. Electric logging program: CNL/LDT/GR, DLL/MSFL/CAL/GR, Long Spaced Sonic/GR.
 - D. Coring program: Possible sidewall rotary cores.
14. No abnormal temperatures or pressures are anticipated. Estimated BHP at TD 2600#. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely. An H2S Drilling Operations is attached.
15. Anticipated starting date is July 1, 1996. It should take approximately 35 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
OXY USA Inc.

DRS/drs

Attachments

BLOWOUT PREVENTOR SCHEMATIC

EXHIBIT A

