

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

OXY USA Inc.

3. ADDRESS OF OPERATOR

P.O. Box 50250 Midland, TX 79710

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

1398 FSL 1564 FEL NW-SE

At proposed prod. zone

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

11 miles South from Eunice, NM

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if any)

3623'

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

715'

16. NO. OF ACRES IN LEASE

9326.56

19. PROPOSED DEPTH

3850'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3310'

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|------------------------------|
| 12 1/4" | 8 5/8" | 24# | 400' | 260sx - Circulate to Surface |
| 7 7/8" | 5 1/2" | 15.5# | 3850' | 810SX - Circulate to Surface |

It is proposed to drill this well to a TD of 3850'.

OPER. OGRID NO. 16696

PROPERTY NO. 14953

POOL CODE 37240

EFF. DATE 6-27-94

API NO. 30-025-32555

See other side

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 preventer program, if any.

24.

SIGNED

TITLE Engineering Advisor

DATE

5/27/94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

AREA MANAGER

DATE

6/1/94

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

| | | |
|-------------------------|--|---|
| Bit Program: | 12-1/4" hole to 400' 7-7/8" hole to TD | |
| BOP Program: | 0 - 400' 400' - TD | None 3000# WP pipe and blind rams w/ 3000# WP annular preventer and choke manifold |
| Mud Program: | 0 - 400' | Drill w/ a gel/lime slurry. Use paper to control seepage and for sweeps. |
| | 400' - 3350' | Drill with 10# brine water. Circulate through the reserve pit to control solids. Use paper to control seepage and for sweeps. |
| | 3350' - TD | Raise viscosity to 32-34 secs with salt gel. Reduce waterloss to < 15 cc's. Keep pH < 10. |
| Coring Program: | None planned | |
| Logging Program: | GR-DLL-MSFL-caliper GR-CNL-lithodensity | |
| DST Program: | None planned | |
| Casing Program: | Surface | 0 - 400' 8-5/8" 24# K55 STC |
| | Production | 0 - TD 5-1/2" 15.5# K55 STC (roughcoat 500') |
| Cement program | Surface | Lead 260 sx Cl C + 2% CaCl ₂ + 1/4 pps cellophane flakes |
| | Production | Lead 660 sx Premium Plus w/15 pps salt + 1/4 pps cellophane flakes |
| | | Tail 150 sx 50/50 Poz/Cl C + 2% gel + 3 pps KCl + .3% Halad- 9 |
| | | Calculate annular volume from caliper log and adjust volumes if necessary. |
| Wellhead | 8-5/8" 3000# WP Larken "Unistack" casing head 5-1/2" x 2-7/8" 3000# WP Larken "Unistack" tubing head | |
| H ₂ S safety | While drilling below 3000', protective breathing equipment at 2 sites, wind direction indicator, and automatic H ₂ S detection and alarm equipment shall be on location. All contractor and company personnel shall be trained in H ₂ S safety in accordance with TRC Rule 36. | |

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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 | | Pool Code | Pool Name |
| Property Code | Property Name MYERS LANGLIE MATTIX UNIT | | Well Number 263 |
| OGRID No. | Operator Name OXY, U.S.A., INC. | | Elevation 3310' |

Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| J | 31 | 23 S | 37 E | | 1398 | SOUTH | 1564 | 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 |
| Dedicated Acres | Joint or Infill | 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

| | | | | |
|-----------|--|--|--|--|
| LOT 1 | | | | |
| 37.93 AC. | | | | |
| LOT 2 | | | | |
| 37.95 AC. | | | | |
| LOT 3 | | | | |
| 37.97 AC. | | | | |
| LOT 4 | | | | |
| 37.99 AC. | | | | |

3311.7' — 3311.7'

1564'

3312.8' — 3311.1'

1398'

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Scott E. Gengler

Signature

Scott E. Gengler

Printed Name

Engineering Advisor

Title

May 26, 1994

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.

MARCH 22, 1994

Date Surveyed

Signature & Seal of Professional Surveyor

Ronald J. Eidson

W.O. Num. 94-11-0871

Certificate No. — JOHN W. WEST, 676

RONALD J. EIDSON, 3239

GARY L. JONES, 7977

RECEIVED

JAN 1 1961

OFFICE



OXY USA INC.

Box 50250, Midland, TX 79710

May 26, 1994

United States Department of the Interior
Bureau of Land Management
Carlsbad Resource Area
P.O. Drawer 1778
Carlsbad, New Mexico 88220

Re: Application for Permit to Drill
OXY USA Inc.
Myers Langlie Mattix Unit #263
Lea County, New Mexico
Lease No. LC-032545(a)

Gentlemen:

OXY USA Inc. respectfully requests permission to drill our Myers Langlie Mattix Unit #263, located 1398' from the south line and 1564' from the east line of Section 31, T-23-S, R-37-E, Lea County, New Mexico, Federal Lease No. LC-032545(a).

The location and work area have been staked. It is approximately 11 miles south of Eunice, 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 March 22, 1994. Exhibit attached.
3. The elevation of the unprepared ground is 3310 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 3,850' and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.

Application for Permit to Drill
Myers Langlie Mattix Unit #263

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6. Proposed total depth is 3,850 feet.
7. Estimated tops of important geologic markers.

| | |
|--------------|-------|
| Anhydrite | 1160' |
| Yates | 2950' |
| Seven Rivers | 3220' |
| Queen | 3450' |
| Penrose | 3620' |
| Total Depth | 3850' |

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

Primary Objective: Queen 3450'

9. The proposed casing program is as follows:

Surface: 8-5/8" OD 24# K55 ST&C new casing

Production: 5-1/2" OD 15.5# K55 ST&C new casing

10. Casing setting depth and cementing program:

- A. 8-5/8" OD surface casing set at 400' in 12-1/4" hole. Circulate cement with 260 sacks Class C + 2% CaCl_2 + 0.25 lb/sk cellophane flakes. If cement does not circulate, determine the top of cement by temperature survey then finish cementing to the surface through 1" in the annulus using Class "C" with 2% CaCl_2 .
- B. 5-1/2" OD production casing set @ 3850' in 7-7/8" hole. Circulate Cement with 660 sacks Class H + 15 lb/sk salt + 0.25 lb/sk cellophane flakes followed by 150 sx 50/50 Poz w/ 2% gel + 3 lb/sk KCl + 0.3% Halad 9.

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

Application for Permit to Drill
Myers Langlie Mattix Unit #263

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11. Pressure Control Equipment

| | |
|--------------|---|
| 0' - 400' | None |
| 400' - 3850' | 10" 3000# ram type preventers with one set blind rams and one set pipe rams and a remote operating station. See attached exhibit. |

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 rated working pressures. Any equipment failing to test satisfactorily shall be repaired or replaced. The BOPs 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 spud mud. Using lime to control pH (9 to 10). Paper for seepage. Vis 32-34 sec. |
| 400' - 3350' | Brine water. Wt. 10-10.1 ppg, vis 28-29 sec, pH 9.5-10 with lime. Paper for seepage control. |

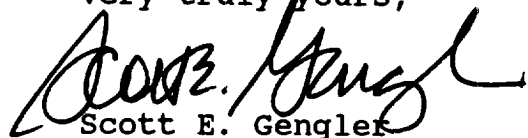
Application for Permit to Drill
Myers Langlie Mattix Unit #263

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3350' - 3850' Mud up with salt gel system using gel for viscosity, starch for water loss, and caustic soda/soda ash for pH control to the following characteristics: Wt. 10.0 - 10.1, vis 32-34 secs, pH 10 - 10.5 WL < 15 cc's.

13. Testing, Logging and Coring Program:
 - A. Testing program: None
 - B. Mud logging program: None
 - C. Electric logging program: CNL-LDT-GR
DLL-MSFL-Cal-GR
 - D. Coring program: No cores planned.
14. No abnormal temperatures or H₂S gas are anticipated.
15. Anticipated starting date is one week after this application is approved by the Bureau of Land Management. It should take approximately 5 days to drill the well and another 7-10 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,

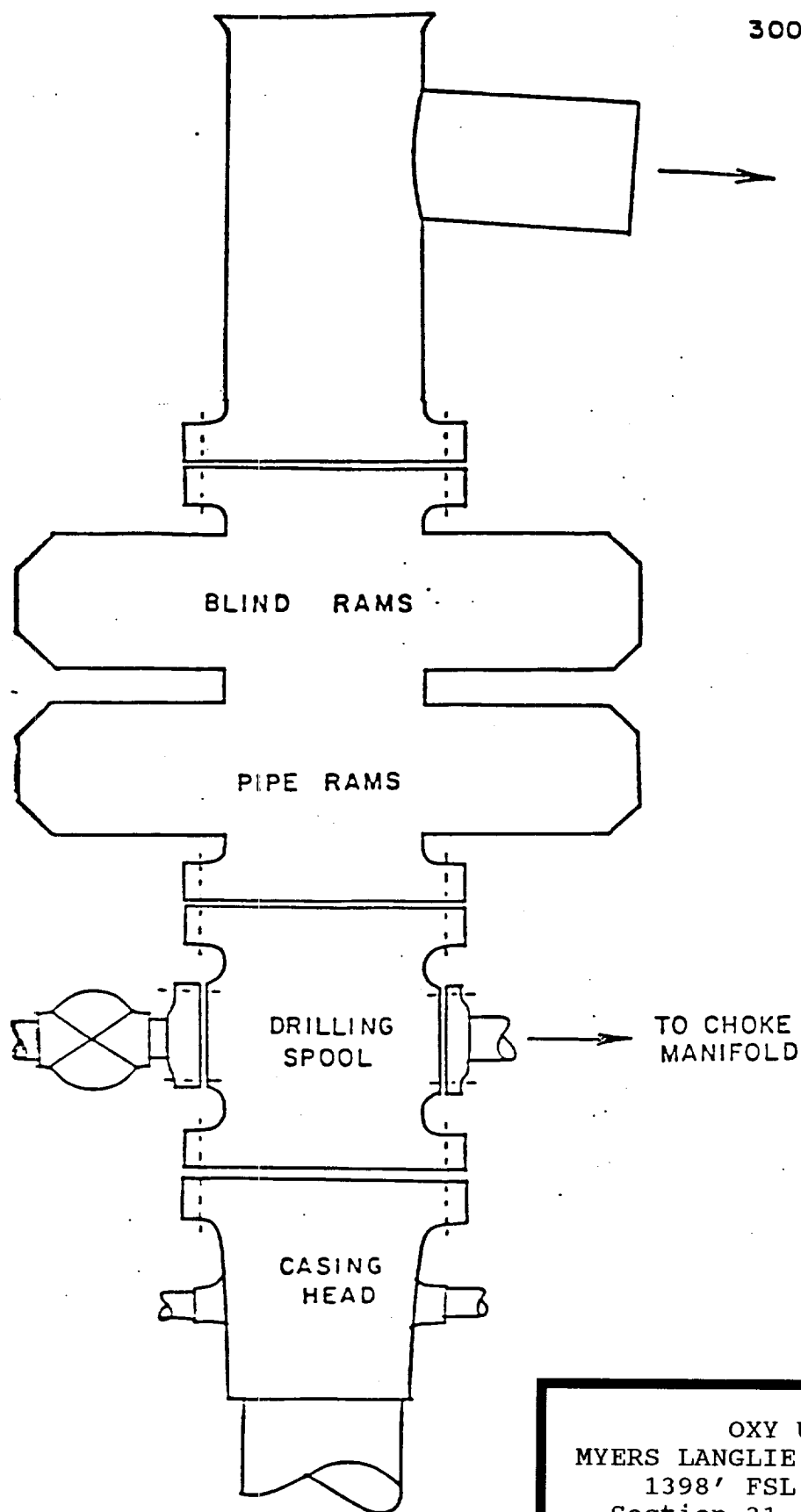


Scott E. Gengler
Engineering Advisor
Western Region

SEG/seg

Attachments

BLOWOUT PREVENTER DIAGRAM
3000# W.P.



OXY USA Inc.
MYERS LANGLIE MATTIX UNIT #263
1398' FSL & 1564' FEL
Section 31, T-23-S, R-37-E
Lea County, New Mexico
Federal Lease No. LC-032545(a)