Form 3160-3
(November 1983)
(formerly 9-331C)

N.M. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instruc on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: 8910138170 - LC032545b

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME: Myers Langlie Mattix Unit

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME:

2. NAME OF OPERATOR: OXY USA Inc.

9. WELL NO.: 262

3. ADDRESS OF OPERATOR: P.O. Box 50250 Midland, TX 79710

10. FIELD AND POOL, OR WILDCAT: Langlie Mattix 7 Rvr-Q-G

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1350 FSL 2380 FWL NE-SW
UNORTHODOX LOCATION: Subject to Approval By State
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 31 T23S R37E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 11 miles South from Eunice, NM

12. COUNTY OR PARISH: Lea

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
2873'	9326.56	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
798'	3850'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3315'

22. APPROX. DATE WORK WILL START*: ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM — Capitan Controlled Water Basin

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 7-21-94
API NO. 30-025-32590

Approval Subject to General Requirements and Special Stipulations Attached

See other side

NSL-3405

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 [signature] TITLE Engineering Advisor DATE 6/10/94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /s/ Richard L. Manus TITLE AREA MANAGER DATE 7-15-94

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_2S safety		While drilling below 3000', protective breathing equipment at 2 sites, wind direction indicator, and automatic H_2S detection and alarm equipment shall be on location. All contractor and company personnel shall be trained in H_2S safety in accordance with TRC Rule 36.

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

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
Property Code	**Property Name**		**Well Number**
	MYERS LANGLIE MATTIX UNIT		262
OGRID No.	**Operator Name**		**Elevation**
	OXY, U.S.A., INC.		3315'

Surface Location

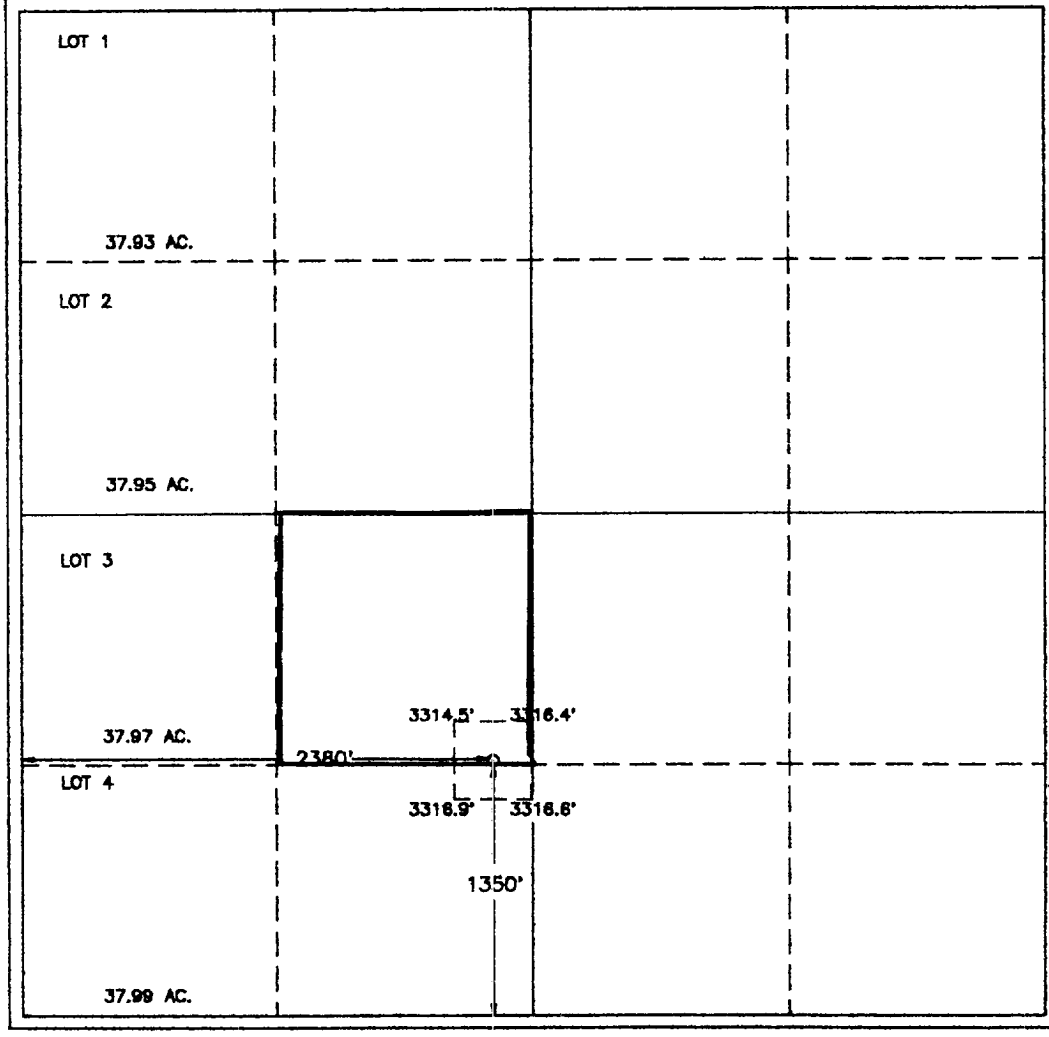
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	31	23 S	37 E		1350	SOUTH	2380	WEST	LEA

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



OPERATOR CERTIFICATION

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

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

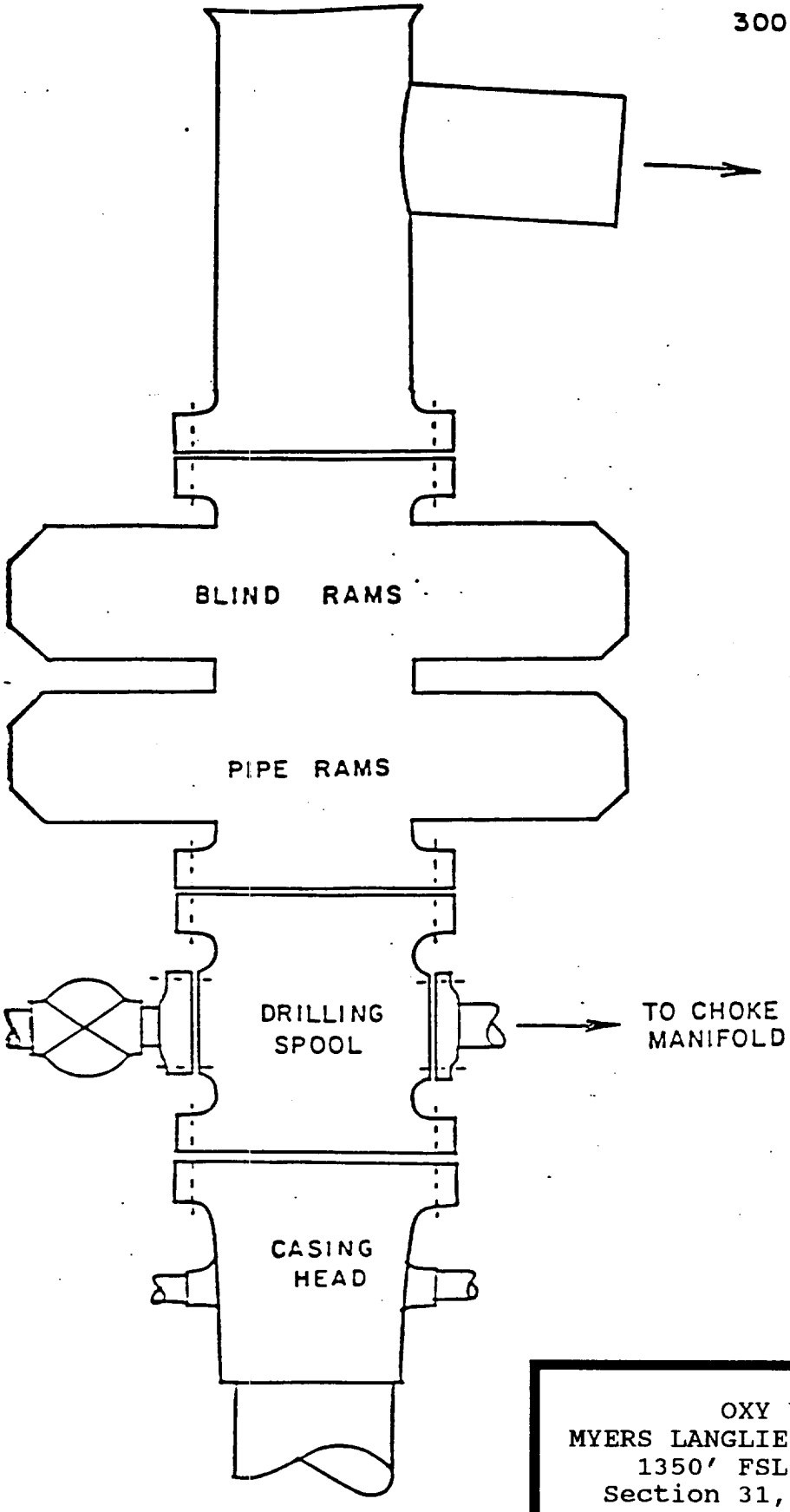
APRIL 14, 1994
Date Surveyed

Signature & Seal of Professional Surveyor

W.O. Num. 94-11-0870

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239
GARY L. JONES, 7977

BLOWOUT PREVENTER DIAGRAM
3000# W.P.



OXY USA Inc.
MYERS LANGLIE MATTIX UNIT #262
1350' FSL & 2380' FWL
Section 31, T-23-S, R-37-E
Lea County, New Mexico
Federal Lease No. LC-032545(b)

OXY USA INC.
Box 50250, Midland, TX 79710

May 24, 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 #262
Lea County, New Mexico
Lease No. LC-032545(b)

Gentlemen:

OXY USA Inc. respectfully requests permission to drill our Myers Langlie Mattix Unit #262, located 1350' from the south line and 2380' from the west line of Section 31, T-23-S, R-37-E, Lea County, New Mexico, Federal Lease No. LC-032545(b).

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 April 14, 1994. Exhibit attached.

3. The elevation of the unprepared ground is 3315 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.

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 C Light + 15 lb/sk salt + 0.25 lb/sk cellophane flakes followed by 150 sx 50/50 Poz/Class H w/ 2% gel + 3 lb/sk KCl + 0.3% Halad 9.

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

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.

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 H_2S 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