Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

WELL API NO.
30-015-41233

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
MCHAM 34 STATE

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number
#4

2. Name of Operator
OCCIDENTAL PERMIAN LTD

9. OGRID Number
157984

3. Address of Operator
PO BOX 4294, HOUSTON, TEXAS 77210

10. Pool name or Wildcat
ARTESIA; GLORIETA-YESO

4. Well Location
Unit Letter__G_:__2105___feet from the _NORTH line and ___2233 feet from the EAST line
Section 34 Township 17S Range 28E NMPM EDDY County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3665

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☒	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: ☐		OTHER: ☐	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RECEIVED
FEB 07 2014
NMOCD ARTESIA

Oxy, respectfully requests a dispensation from the approved permit as follows:
GREATEST PROJECTED TD: 5,500 MD/ TVD **OBJECTIVE**: Yeso

2. REVISED CEMENT PROGRAM

Surface Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft³/sk	24 Hr Comp
Lead: 0' – 400' (125% Excess)	200	400	Premium Plus Cement: 2% Calcium Chloride – Flake	6.39	14.8	1.35	1608 psi

Production Casing

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft³/sk	24 Hr Comp
Lead: 0' – 3000' (100 % Excess)	410	3000	Interfill C: 0.25 lbm/sk D-AIR 5000	13.88	11.9	2.43	281 psi
Tail: 3000' - 5500' (100 % Excess)	460	2500	Premium Plus Cement: 0.5% Halad ®-344, 0.2% WellLife 734, 5 lbm/sk Microbond, 0.3% Econolite, 0.3% CFR-3	7.72	14.2	1.55	1413 psi

The volumes indicated above may be revised depending on caliper measurement.

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

SIGNATURE: Jessica A Shelton TITLE: REGULATORY TECHNICIAN II DATE: 1/31/14

Type or print name: Jessica A Shelton E-mail address: Jessica_Shelton@oxy.com PHONE: 7138403011

For State Use Only

APPROVED BY: T. C. Shepard TITLE "Geologist" DATE 2-7-2014

Conditions of Approval (if any):

OXY USA Inc
McHam 34 State 4 SUNDRY NOTICE

Oxy, respectfully requests a dispensation from the approved permit as follows:

GREATEST PROJECTED TD: 5,500 MD/ TVD **OBJECTIVE**: Yeso

1. REVISED CASING PROGRAM

Surface Casing ran in a 11" hole filled with 8.4 ppg mud

Hole Size (in)	Interval (ft)	OD (in)	Wt (ppf)	Grade	Conn	ID (in)	Condition	Burst (psi)	Collapse (psi)	**Burst SF**	**Coll SF**	**Ten SF**
11	400	8.625	24	J55	STC	8.097*	New	2950	1370	1.42	10.42	2.26

Production Casing ran in a 7.875" hole filled with 9.8 ppg mud

Hole Size (in)	Interval (ft)	OD (in)	Wt (ppf)	Grade	Conn	ID (in)	Condition	Burst (psi)	Collapse (psi)	**Burst SF**	**Coll SF**	**Ten SF**
7.875	5500	5.500	17	L80	BTC	4.892	New	7740	6290	1.28	2.20	2.22

*SPECIAL DRIFT TO 7.875"

Casing Design Assumptions:

Burst Loads

CSG Test (Surface)
- Internal: Displacement fluid + 70% CSG Burst rating
- External: Pore Pressure from section TD to surface

CSG Test (Intermediate)
- Internal: Displacement fluid + 70% CSG Burst rating
- External: Pore Pressure from the Intermediate hole TD to Surface CSG shoe and MW of the drilling mud that was in the hole when the CSG was run to surface

CSG Test (Production)
- Internal: Displacement fluid + 80% CSG Burst rating
- External: Pore Pressure from the well TD the Intermediate CSG shoe and MW of the drilling mud that was in the hole when the CSG was run to surface

Gas Kick (Surface/Intermediate)
- Internal: Gas Kick based on Pore Pressure or Fracture Gradient @ CSG shoe with a gas 0.115psi/ft Gas gradient to surface while drilling the next hole section (e.g. Gas Kick while drilling the production hole section is a burst load used to design the intermediate CSG)
- External: Pore Pressure from section TD to previous CSG shoe and MW of the drilling mud that was in the hole when the CSG was run to surface

Stimulation (Production)
- Internal: Displacement fluid + Max Frac treating pressure (not to exceed 80% CSG Burst rating)
- External: Pore Pressure from the well TD to the Intermediate CSG shoe and 8.5 ppg MWE to surface

Collapse Loads

Lost Circulation (Surface/Intermediate)
- Internal: Losses experienced while drilling the next hole section (e.g. losses while drilling the production hole section are used as a collapse load to design the intermediate CSG). After losses there will be a column of mud inside the CSG with an equivalent weight to the Pore Pressure of the lost circulation zone

- External: MW of the drilling mud that was in the hole when the CSG was run

Cementing (Surface/Intermediate/Production)
- Internal: Displacement Fluid
- External: Cement Slurries to TOC, MW to surface

Full Evacuation (Production)
- Internal: Atmospheric Pressure
- External: MW of the drilling mud that was in the hole when the CSG was run

Tension Loads

Running CSG (Surface/Intermediate/Production)
- Axial load of the buoyant weight of the string plus either 100 klb over-pull or string weight in air, whichever is less

Green Cement (Surface/Intermediate/Production)
- Axial load of the buoyant weight of the string plus the cement plug bump pressure (Final displacement pressure + 500 psi)

2. REVISED CEMENT PROGRAM

Surface Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft^3/sk	24 Hr Comp
Lead: 0' – 400' (125% Excess)	200	400	Premium Plus Cement: 2% Calcium Chloride – Flake	6.39	14.8	1.35	1608 psi

Production Casing

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft^3/sk	24 Hr Comp
Lead: 0' – 3000' (100 % Excess)	410	3000	Interfill C: 0.25 lbm/sk D-AIR 5000	13.88	11.9	2.43	281 psi
Tail: 3000' - 5500' (100 % Excess)	460	2500	Premium Plus Cement: 0.5% Halad ®-344, 0.2% WellLife 734, 5 lbm/sk Microbond, 0.3% Econolite, 0.3% CFR-3	7.72	14.2	1.55	1413 psi

The volumes indicated above may be revised depending on caliper measurement.