Others 2015)       DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT       ONE NOT 1004-0177 Exercise January 31, 2013         SUNDRY NOTICES AND REPORTS ON WELLSCETVED Do not use this form for proposals to drill of to re-order an abandonad well. Use form 31609 3 (APD) for such proposals.       5. Jease Strain No. MMINES3806         SUBMIT IN TRIPLICATE - Other instructions on page 2       7. If Unit or CA/Agreement, Name and/or No.         I. Type of Well       6. Well Name and No. Multiple-See Attached         So data Strain Comparison of the Comparison of th		•	ARTESIA DISTRIC					
Di not us di son di son di concessito si null'o di concentre an abandionel well. Use form 3160-3 (APD) for such proposals.       MMMM65386         SUBMIT IN TRIPLICATE - Other Instructions on page 2       7. If Using in CAAgenemies, Name and/or No.         No avail		PARTMENT OF THE INTER	IOR	Ø OMI Expire	3 NO. 1004-0137 s: January 31, 2018			
SUBMIT IN TRIPLICATE - Other Instructions on page 2       7. If Unit or CAAgecannet, Name and Kn.         I. Type of Weil       S. Weil Name and N. Multiple-See Allached       S. Weil Name and N. Multiple-See Allached         S. Mane of Operation       Composition       Page 2010       S. Weil Name and N. Multiple-See Allached         S. Mate of Operation       Composition       Page 2010       S. Weil Name and N. Multiple-See Allached         S. Mate of Operation       Composition       Page 2010       Page 2010       Page 2010         S. Mate of Operation       Composition       Page 2010       Page 2010       Page 2010         A. Mate of Operation       Composition       Page 2010       Page 2010       Page 2010         A. Mate of Operation       Composition       Page 2010       Page 2010       Page 2010         A. Mate of Data of Tage 2010       Page 2010       Page 2010       Page 2010       Page 2010         A. Mate of Data of Tage 2010       Page 2010       <	SUNDRY	NOTICES AND REPORTS	ON WELRSCEIVED					
Type of Weil     Out Weil _ Out Weil _ Other     Subscription     Out Weil _ Out Weil _ Other     Out Weil _ Out	Do not use thi abandoned we	is form for proposals to drill o II. Use form 3160-3 (APD) for	such proposals.	6. If Indian, Allott	6. If Indian, Allottee or Tribe Name			
ControlGas WellOber	SUBMIT IN	TRIPLICATE - Other instruction	ons on page 2	7. If Unit or CA/A	greement, Name and/or No.			
OXY USÅ INCORPORATED       Construction       Multiple-See Attached         13. Addees       ID. Field and Food Exploratory Area       ID. Field and Food Exploratory Area         4. Location of Well       (Pontage, See, T. R. M. or Survey Decreption)       ID. Field and Food Exploratory Area         4. Location of Well       (Pontage, See, T. R. M. or Survey Decreption)       ID. Field and Food Exploratory Area         Multiple-See Attached       ID. Control CATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         II. Control or Future       Actualize       Decreption         Subsequent Report       Convert to Injection       Reclamation         Subsequent Report       Convert to Injection       Plug and Abandon       Canage Food         II. Describe Proposed of Completed Operation (Cherry attach and purchase during dust of my proposel with advergance mand conce.       Go Other         The proposal is to describution of the state of an organize biological biologi	🛛 Oil Well 🔲 Gas Well 🔲 Ott			MultipleSee				
		Carlsbad Pres		MultipleSee	e Attached			
Multiple-See Attached       EDDY COUNTY, NM         12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Water Shut-Off       Acidize       Deepen         Subsequent Report       Casing       Hydraulic Fracturing       Reclamation       Will Integrity         Subsequent Report       Casing Repair       New Construction       Recomplete       Other Change to Original A pp         13. Describe Proposed of Completed Operation. Citraly areal Declinemed deals. Including estimated starting date of any reposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give absurface Controls and measured and run vertical datafies of any reposed work and approximate duration thereof. The proposal is to deepen directionally or recomplete horizontally, give absurface Controls and measured and run vertical datafies of the field one of the work will be performed or provide the BLMBIA. Recompletion or neurophysics of any reposed work and approximate duration thereof. The proposal is to deepen directionally or recomplete horizontally, give absurface Costance and measured and run vertical data field one of the work will be performed or provide the BLMBIA. Recompletion in a new binter of Horizon Start and the sign of any antipact, and the sign of any antipact, and the sign of any approximate, hark being antipact, and the sign of any approximate, hark being antipact, and the sign of any approximate, hark being antipact, and the sign of any approximate, hark being antipact, and the sign of any approximate, hark being antipact, and the sinter and yous the add on on the will be part and your sind any app	5 GREENWAY PLAZA SUITE	110 <b>OCD</b> A <b>10</b>	hone No. (include area code)	10. Field and Pool PIERCE CR				
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Subsequent Report       Acidize       Deepen       Production (Start/Resume)       Water Shut-Off         Subsequent Report       Casing Repair       Deve Construction       Recomplete       Other Change to Original A production (Start/Resume)       Other Produc	4. Location of Well (Footage, Sec., 7	F., R., M., or Survey Description)		11. County or Par	ish, State			
TYPE OF SUBMISSION       TYPE OF ACTION         Image: Subsequent Report       Acidize       Deepen       Production (Start/Resume)       Water Shut-Off         Subsequent Report       Casing Repair       New Construction       Recomplete       Change to Original A PD         Image: Subsequent Report       Change Plans       Plug and Abadon       Temporarily Abadon       Change to Original A PD         Image: Subsequent Report       Change Plans       Plug and Abadon       Temporarily Abadon       Change to Original A PD         Image: Subsequent Report       Change Plans       Plug and Abadon       Temporarily Abadon       Plug and A	MultipleSee Attached			EDDY COU	NTY, NM			
Notice of Intent   Acidize Deepen Production (Start/Resume) Water Shut-Off   Subsequent Report Casing Repair New Construction Reclanation Well Integrity   Casing Repair New Construction Recomplete Other   Change Plans Plug and Abandon Temporarity Abandon Change to Original A proposed or Complete Original A profile to decomplete Original A profile to decomplete or Complete Original A profile to decomplete or Complete Original A profile to decomplete Original A profile Original A profi	12. CHECK THE AI	PPROPRIATE BOX(ES) TO IN	NDICATE NATURE O	F NOTICE, REPORT, OR (	OTHER DATA			
Notice of Intent       Alter Casing       Hydraulic Fracturing       Reclamation       Well Integrity         Subsequent Report       Casing Repair       New Construction       Recomplete       Other         Final Abandonment Notice       Change Plans       Plug and Abandon       Temporarily Abandon       Change to Original A PD         13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete broandly, give subsequent reports must be filed within 0.0 days. Attach the book No. If the professod work and approximate duration thereof. If the proposed work and approximate duration thereof. If the work will be primered provide the Book No. If the work of the performed or provide the Book No. If the work of the performed or provide the Book No. If the work of the performed or provide the Book No. If the work will be performed or provide the Book No. If the work will be performed or provide the Book No. If the work will be performed or provide the Book No. If the work will be performed or provide the Book No. If the work will be performed or provide the Book No. If the work will be performed or provide the Book No. If the work will be performed or provide the Book No. If the work will be performed or provide the Book No. If the work will be performed or provide the sole is ready to final Abandomment Notice must be filed only after all repairements, including reclamation, have been completed and the operator has docted and the and production casing sole is theward and thewas slightly shallower interme	TYPE OF SUBMISSION		TYPE OF	ACTION				
Subsequent Report       After Casing       Hydraulic Fracturing       Recomplete       Well Integrity         Casing Repair       New Construction       Recomplete       Other       Other         Subsequent Report       Construction       Plug and Abandon       Temporarily Abandon       Proposed or Complete Operation: Clearly sate all period etails, including estimated sating date of am proposed work and approximate duration thereof.         13. Describe Proposed or Completed Operation: Clearly sate all period etails, including estimated sating date of approximate duration thereof.       Temporarily Abandon       Proposed work and approximate duration thereof.         13. Describe Proposed or Completed Operation: Clearly sate all period etails, including estimated sating date of depths of all period etails of a depth of all period etails (i.e. depths, genes work of all subsequent reports must be filed with ave as from 310-40 must be filed one; depth at all period and ones.         Corral Canyon 36-25 Federal Com #22H - 30-015-44632 - NMNM59386       SEE ATTACHED FOR         Corral Canyon 36-25 Federal Com #22H - 30-015-44633 - NMNM59386       SEE ATTACHED FOR         Corral Canyon 36-25 Federal Com #22H - 30-015-44633 - NMNM59386       SEE ATTACHED FOR         Corral Canyon 36-25 Federal Com #22H - 30-015-44633 - NMNM59386       SEE ATTACHED FOR         Corral Canyon 36-25 Federal Com #22H - 30-015-44633 - NMNM59386       Seeffect of theadabetand operics.	Notice of Intent	C Acidize	Deepen	Production (Start/Resume	) 🗖 Water Shut-Off			
Control Complete	_							
Convert to Injection       Plug Back       Water Disposal         13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen divertionally or recomplete horizonally, give subsurface locations and measured and true vertical depths of all pertinent maters and zones. Attach the Bond, under which the work will be performed or provide the Bond No. on file with BLMBIA. Required subsequent reports must be filed within 30 days following completion of the windvert devides of all measured and true vertical depths of all perimetim maters and zones. Attach the Subsection.         OXY USA Inc. respectfully requests to amend the APD for the following wells. The two wells will have a similar design. The Specific details (i.e. depths, cement volumes, etc) attached are for the 22H. The 23H well finants the 22H on the pad and will have slightly shallower intermediate and production casing points.         Corral Canyon 36-25 Federal Com #22H - 30-015-44632 - NMNM59386 Corral Canyon 36-25 Federal Com #22H - 30-015-44633 - NMNM59386 I. Amend the intermediate, and production casings cementing program, see attached.       SEE ATTACHFED FOR CONDITIONS OF APPROVAN EVENT The Control of the foregoing is true and correct.         14. 1 hereby certify that the foregoing is true and correct. Electronic Submission #407223 verified by the BLM Well Information System For OXY USA INCORPORTED, sent to the Carisbad Committed to AFMSS for processing by PRSCILLA PERE2 on 03/16/2018 (IBPP 12935E) Name (Printed/Typed) DAVID STEVART       Title PETROLEUM ENGINEER         Approved By_ZOTASTEVENS			—	<b>—</b> 1	Change to Original A			
If the proposal is to deepen directionally, give subsurface locations and measured and true vertical depths of all periment markers and zones. Attach the Bond, under which the work will be performed or provide the Bond No. on file with BL/MBLA. Required and subsequent reports must be filed once, testing has been completed. Final Abandomment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has the filed once, testing has been completed. Final Abandomment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection. OXY USA Inc. respectfully requests to amend the APD for the following wells. The two wells will have a similar design. The specific details (i.e. depths, cernent volumes, etc) attached are for the 22H. The 23H well flanks the 22H on the pad and will have slightly shallower intermediate and production casing points. Corral Canyon 36-25 Federal Com #22H - 30-015-44632 - NMNM59386 Corral Canyon 36-25 Federal Com #22H - 30-015-44633 - NMNM59386 A. Amend the intermediate, and production casing size, type, and depth, see attached. 2. Amend the intermediate and production casing cernenting program, see attached. 3. Amend the intermediate and production casing size, type, and depth, see attached. 4. I hereby certify that the foregoing is the and correct. Biochromita to AFMSS for processing by PR SCILLA PEREZ on 03/f6/2018 (18PP1233SE) Name (Printed/Typed) DAVID STEWART File Conditions of approval, if any, are attached. Approved BM PR SCILLA PEREZ on 03/16/2018 (18PP1233SE) Name (Printed/Typed) DAVID STEWART File Conditions of approval, if any, are attached. Approved of the subject lease within the subject lease of 03/16/2018 (18PP1233SE) This SPACE FOR FEDERAL OR STATE OFFICE USE Approved BM_ZOTA STEVENS Conditions of approval, if any, are attached. Approved of this notice does not warrant or cerrity that the applicant holds legal or equitab					PD			
Electronic Submission #407223 verified by the BLM Well Information System         For OXY USA INCORPORATED, sent to the Carlsbad         Committed to AFMSS for processing by PRISCILLA PEREZ on 03/16/2018 (18PP1293SE)         Name (Printed/Typed)       DAVID STEWART       Title       REGULATORY ADVISOR       Image: Colspan="2">Colspan="2"	Attach the Bond, under which the wo following completion of the involved testing has been completed. Final Ai determined that the site is ready for f OXY USA Inc. respectfully rea have a similar design. The sp the 22H. The 23H well flanks production casing points. Corral Canyon 36-25 Federal Corral Canyon 36-25 Federal 1. Amend the intermediate, an	rk will be performed or provide the Bo d operations. If the operation results in bandonment Notices must be filed only final inspection. quests to amend the APD for th becific details (i.e. depths, ceme the 22H on the pad and will ha Com #22H - 30-015-44632 - NI Com #23H - 30-015-44633 - Ni nd production casings size, type	nd No. on file with BLM/BIA a multiple completion or reco after all requirements, includ e following wells. The tw ent volumes, etc) attache we slightly shallower inte MNM59386 MNM59386 e, and depth, see attache	A. Required subsequent reports must impletion in a new interval, a Form ing reclamation, have been comple wo wells will ad are for ermediate and SEE ATTACH CONDITIONS	st be filed within 30 days 3160-4 must be filed once ted and the operator has ED FOR S OF APPROVAL			
Signature       (Electronic Submission)       Date       03/09/2018         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved By_ZQTA STEVENS	Cor	Electronic Submission #40722 For OXY USA INCO nmitted to AFMSS for processing	DRPORATED, sent to the by PRISCILLA PEREZ of	Carlsbad n 03/16/2018 (18PP1293SE)				
THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved By_ZQTA STEVENS       TitlePETROLEUM ENGINEER       Date 03/28/2018         Conditions of approval, if any, are attached. Approval of this notice 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 thereon.       Office Carlsbad         Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.       Office Carlsbad	Name (Printed/Typed) DAVID S	TEWART	Title * REGUL	ATORY ADVISOR	1 <u>.</u>			
Approved By_ZOTA STEVENS       TitlePETROLEUM ENGINEER       Date 03/28/2018         Conditions of approval, if any, are attached. Approval of this notice 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 thereon.       Office Carlsbad         Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.       Image: Content of the United States on page 2)	Signature (Electronic	Submission)	Date 03/09/2	018				
Conditions of approval, if any, are attached. Approval of this notice 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 thereon. Office Carlsbad Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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. (Instructions on page 2)		THIS SPACE FOR FE	EDERAL OR STATE	OFFICE USE				
Conditions of approval, if any, are attached. Approval of this notice 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 thereon. Office Carlsbad Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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. (Instructions on page 2)	Approved By ZOTA STEVENS		TitlePETROLE		Date 03/28/2018			
States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	Conditions of approval, if any, are attached certify that the applicant holds legal or eq	uitable title to those rights in the subjec	urrant or the set					
(Instructions on page 2)	Title 18 U.S.C. Section 1001 and Title 43 States any false fightitions of foundulate	U.S.C. Section 1212, make it a crime f	for any person knowingly and	willfully to make to any department	nt or agency of the United			
	(Instructions on page 2)							

¢

.

\*\* BLM REVISED \*\*

#### Additional data for EC transaction #407223 that would not fit on the form

Wells/Facilities, continued

٤

Agreement	Lease	Well/Fac Name, Number API Number	<b>L</b> 500
NMNM59386	NMNM59386	CORRAL CANYON 36-25 FED CO®02016-44632-00-X1	
NMNM59386	NMNM59386	CORRAL CANYON 36-25 FED CO <b>\$023H</b> 5-44633-00-X1	39

Location Sec 1 T25S R29E 381FNL 1528FWL 32.165501 N Lat, 103.941666 W Lon Sec 1 T25S R29E 381FNL 1563FWL 32.165501 N Lat, 103.941551 W Lon

•

4

#### 32. Additional remarks, continued

3. Amend the pressure control equipment due to casing size changes, see attached.

4. Amend the mud program, depth and type, see attached.

OXY respectfully requests a variance for annular clearance around production tubular couplings in the open hole interval comprised of the curve and lateral portions of the well. The production string clearance inside the intermediate string meets the requirements for >0.422in clearance as shown in the table below. The clearances for the production string are as follows:

1

5-1/2" 20# P110 DQX casing - Coupling OD-6.05'

Casing ID - 7-5/8" 26.4# L-80 BTC casing - Clearance .04595 Open Hole ID - 6-3/4" - Clearance 0.35 This is a bulk sundry request for two wells on the same pad. The wells related to this sundry request are:

30-015-44632	Corral Canyon 36-25 Fed Com 22H	1216821
30-015-44633	Corral Canyon 36-25 Fed Com 23H	1216822

Both wells will have similar designs. The specific details (i.e. depths, cement volumes, etc...) below are for the 22H. The 23H flank the 22H on the pad and will have slightly shallower intermediate and production casing points.

#### 1. Geologic Formations

TVD of Target	9,111ft	Pilot Hole Depth:	N/A
MD at TD:	20,576ft	Deepest Expected fresh Water	439ft

#### **Delaware Basin**

Furmation	TVD-RKS	Expected Fluids
Russiller	439	Brink
Saludo	439 964	Louses
Chille	1539	
Lamar/Delaware	3285	
Bel Canyon	3342	Water
Cleany Canyon	4223	Olicia
Brouby Canyon	5585	Olign
Bone Sume	7097	Oliges
lat Bone Spring	7982	Oligas
2nd Bone Spring	8313	Oil/Ges

\*H2S, water flows, loss of circulation, abnormal pressures, etc.

#### 2. Casing Program

								Safety	Factor	
Hole Size	Casing From (ft)		Csg. Size (in)	Weight (lbs/ft)	Grade	Conń.	Collapse	Burst	Body Tension	Joint Tension
17.5	0	56658	13.375	54.5	J-55	BTC	> 1.125	> 1.2	> 1.4	> 1.4
9.875	0	8,590	7.625	26.4	L-80	BTC	> 1.125	> 1.2	> 1.4	> 1.4
6.75	0	20,576	5.5	20	P-110	DQX	> 1.125	> 1.2	> 1.4	> 1.4
		<u> </u>					Des	signs will 1	neet or exc	eed

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h \*OXY requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage we will drop a cancelation cone and not pump the second stage.

#### 3. Cementing Program

Casing	Slurry	#Sks	Wt (Lb/gal)	Yld ft3/sack	H20 gal/sk	500# Comp Strength	Slurry Description	
Surface					Surface al	ready set by	y spudder rig	
1st Stage	Lead	435	10.2	2.58	11.568	6:59	Pozzolan Cement, Retarder	
Intermediate	Tail	160	13.2	1.61	7.804	7:11	Class H Cement, Retarder, Dispersant, Salt	
	DV/ECP Tool @ 3335ft							
2nd Stage Intermediate	Tail	1,079	13.6	1.67	8.765	7:32	Class C Cement, Accelerator, Dispersant	
Production Casing	Tail	876	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt	

Carding String		lixoximmoff Local (A)	100000 2011(03)	Tention of Tenti(G)	% Instances	% 125 0005Ks Tilefi
Surface	N/A	N/A	0	566	N/A	100%
1st Stage Intermediate Casing	3235	7590	7590	8590	20%	20%
2nd Stage Intermediate Casing	N/A	N/A	0	3335	N/A	150%
Production Casing	N/A	N/A	8090	20576	N/A	15%

#### 4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size	Min. Required WP	Туре		Tested to:
			Annular	x	70 % of working Pressure
9.875" Hole	13-5/8" 5M	5M	Blind Ram	x	
			Pipe Ram		250/5000 psi
			Double Ram	X	2.50/5000 pst
			Other*		]

\*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

### OXY USA Inc. - Corral Canyon 36-25 Federal Com #22H, 23H – Amended Drill Plan

OXY would like to request a variance for annular clearance around production tubular couplings in the open hole interval comprised of the curve and lateral portions of the well. The production string clearance inside the intermediate string meets the requirements for >0.422in clearance as shown in the table below. The clearances for the production string are as follows:

Description	Csg/Hole ID	Coupl. OD	Clearance
DQX Coupling in 7-5/8" Casing	6.969	6.05	0.4595
DQX Coupling in 6.75in OH	6.75	6.05	0.35

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 <sup>nd</sup> string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
ſ	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
L	Y Are anchors required by manufacturer?
	A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015.
	See attached schematics.

Depth		<b>T</b>	XX7 + 1 4 ( )	***	
From (ft)	To (ft)	Туре	Weight (ppg)	VISCOSITY	Water Loss
0	566558	Water-Based Mud	8.4-8.6	40-60	N/C
<b>S&amp;K</b> 566-	3335	WBM or OBM	9.8 - 10	35-45	N/C
3335	8,590	WBM or OBM	8.8-9.6	38-50	N/C
8,590	20,576	OBM	8.8-9.6	35-50	N/C

#### 5. Mud Program

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

OXY proposes to drill out the 13.375" surface casing shoe with either a salt saturated direct emulsion or an oil based mud system. We will drill with one or the other fluid system until intermediate casing point is reached. OBM will be used in the lateral section.

What will be used to monitor the loss or gain	PVT/MD Totco/Visual Monitoring
of fluid?	

#### 6. Logging and Testing Procedures

ilogo	hig, Cothy and Westing.
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs
	run will be in the Completion Report and submitted to the BLM.
No	Logs are planned based on well control or offset log information.
No	Drill stem test? If yes, explain
No	Coring? If yes, explain

Adian	Prone Mary Menneril	ไม้ห้อกระโ
No	Resistivity	
No	Density	
No	CBL	
Yes	Mud log	ICP - TD
No	PEX	

#### 7. Drilling Conditions

BH Pressure at deepest TVD	4548 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	176°F

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

Hyd	lrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If
H2S	S is detected in concentrations greater than 100 ppm, the operator will comply with the
prov	visions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured
valu	tes and formations will be provided to the BLM.
N	H2S is present
Y	H2S Plan attached

h

## 8. Other facets of operation

	Yes/No
<ul> <li>Will the well be drilled with a walking/skidding operation? If yes, describe.</li> <li>We plan to drill the two wells top down for each well: all intermediate sections and production sections will be drilled top down for each well. The wellhead will be secured with a night cap whenever the rig is not over the well.</li> </ul>	Yes
<ul> <li>Will more than one drilling rig be used for drilling operations? If yes, describe.</li> <li>OXY requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that OXY would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig.</li> </ul>	Yes

## Total estimated cuttings volume: 2526.6 bbls.

## 9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Philippe Haffner	Drilling Engineer	713-985-6379	832-767-9047
Diego Tellez	Drilling Engineer Supervisor	713-350-4602	713-303-4932
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
John Willis	Drilling Manager	713-366-5556	713-259-1417

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	OXY USA INC
LEASE NO.:	NMNM59386
WELL NAME & NO.:	22 H- CORRAL CANYON 36-25 FED COM
SURFACE HOLE FOOTAGE:	381' FNL & 1528' FWL
<b>BOTTOM HOLE FOOTAGE</b>	1144' FSL & 1404' FWL
LOCATION:	Section 1, T. 25 S., R 29 E., NMPM
COUNTY:	Eddy County, New Mexico

## ((XO)*A*)

#### All previous COAs still apply expect the following:

H2S	C Yes	r No	
Potash	r None	C Secretary	C R-111-P
Cave/Karst Potential	C Low	C Medium	C High
Variance	C None	€ Flex Hose	C Other
Wellhead	C Conventional	Multibowl	C Both
Other	☐ 4 String Area	Capitan Reef	<b>Г</b> WIPP

# Operator shall filled 1/3<sup>rd</sup> casing with fluild while running intermediate casing to maintain collapse safety factor.

1. The minimum required fill of cement behind the 7-5/8 inch intermediate casing is: Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Variance for annular spacing between 5  $\frac{1}{2}$  x 7 5/8 inches is approved.

- 2. The minimum required fill of cement behind the 5-1/2 inch production casing is:
  - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. Additional cement maybe required. Excess calculates to 18%.

#### ZS 032818

Page 2 of 2

۰

.

.

.

4

.

252901Lot 3 APDSUNDRY 407223 Corral Canyon 36-25 Fed Com 22H 30015 NMNM59386 Oxy 12-55 03282018 ZS

133/8	surface	csg in a	17 1/2	inch hole.		Design F	actors	SUR	ACE
Segment		Grade		Coupling	Body	C diapse =	Burst	Length	Weight
"A"	54.50	J	55	<b>BUTT</b>	28.06	4.53	0.61	558	30,411
*" <b>B</b> #					. <b>**</b> ***				0,
		c Csg Test psig:	•	Tail Cmt	does	circ to sfc.	Totals:	558	30,411
where a table is the fiber of the				ement Volume			• •		
Hôles	Annular	1 Stage	-	Mine	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	State waters	% Excess	Mud Wtz	MASP	BOPE	Hole-Cplg
17/1/2	0.6946	427	717	442	62	8.60	2573	3 <b>M</b>	1.56
<b>lass 'C' tail cn</b> urst Frac Grad		gment(s) A, I	B=.b All:	> 0.70. OK.					
-									• • • • • • • • • • • • •
7 5/8	casing in		13 3/8			<u>Design I</u>			IEDIATE
Segment	#/ft.	the Construction Francisco and a second		Coupling	Body	Collapse	A REPORT OF A REPORT OF A	Length	Weight
"A"	26.40	100 100 100 100 100 100 100 100 100 100	80	BUTT	2.65	0.76	1.32	8,590	226,776
"B"								0.4	0
		c Csg Test psig:			-		Totals:	8,590	226,776
				hieve a top of	0	ft from su		558	overlap.
Hole	Annular	1 Stage	1 Stage	, Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt		% Excess	Mud Wt	MASP	BOPE	Hole-Cpl
9 7/8	0.2148	look 🖌	0 3335	2044		10.00	2543	3M	0.69
OV Tool(s):			3335				sum of sx	<u>Σ CuFt</u>	Σ%exces
								2250	50
by stage % : lass 'C' tail cn	nt yld > 1.35	28	99	PSE SF: 0.76*1.	5= 1.14		1704	3259	59
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B"	<b>casing i</b> #/ft 20.00 <b>20.00</b>	iside the Grade P P	99 ALT COLLA <b>7 5/8</b> 110 <b>110</b>	PSE SF: 0.76*1. Coupling DQX DQX		Design Fa Collapse 2.59 2.17	1704 <u>ctors</u> Burst 2.77 <b>2.77</b>	PROD Length 8,602 11,974	JCTION Weight 172,040 239,480
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g	casing ir #/ft 20.00 20.00 mud, 30min St	iside the <b>Grade</b> P C Csg Test psig.	99 ALT COLLA <b>7 5/8</b> 110 <b>110</b>	Coupling DQX	<b>Body</b> 3.51 8.04	<b>Collapse</b> 2.59 <b>2.17</b>	1704 <u>ctors</u> <u>Burst</u> 2.77 2.77 Totals:	PROD Length 8,602 11,974 20,576	ÚCTIÓN Weight 172,040 239,480 411,520
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B"	<b>casing i</b> #/ft 20.00 <b>20.00</b>	iside the <b>Grade</b> P C Csg Test psig.	99 ALT COLLA <b>7 5/8</b> 110 <b>110</b> 110 1892	Coupling DQX DQX	<b>Body</b> 3.51 8.04 61.29	<b>Collapse</b> 2.59 <b>2.17</b> 2.44	1704 ctors Burst 2.77 2.77 Totals: f twere a	PROD Length 8,602 11,974 20,576 erbcal ac	<b>UCTION</b> Weight 172,040 <b>239,48</b> 411,520 Where
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g	casing ir #/ft 20.00 20.00 mud, 30min St	side the <b>Grade</b> P C Csg Test psig	99 ALT COLLA 7 5/8 110 110 110 110 110 110	Coupling DQX DQX DQX	<b>Bodý</b> 3.51 8.04 61.29 59	<b>Collapse</b> 2.59 <b>2.17</b> 2.44	1704 ctors Burst 2.77 2.77 2.77 Totals: f twere a 'Scalag	PROD Length 8,602 11,974 20,576 entrol of completers	<b>ÚCTIÓN</b> Weigh 172,04( <b>239,48</b> 411,52( libore
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g	casing ir #/ft 20.00 20.00 mud, 30min St	side the <b>Grade</b> P C Csg Test psig	99 ALT COLLA <b>7 5/8</b> 110 <b>110</b> 110 1892	Coupling DQX DQX	<b>Body</b> 3.51 8.04 61.29	<b>Collapse</b> 2.59 <b>2.17</b> 2.44	1704 ctors Burst 2.77 2.77 Totals: f twere a	PROD Length 8,602 11,974 20,576 erbcal ac	<b>ÚCTIÓN</b> Weigh 172,04( <b>239,48</b> 411,52( libore
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B	casing ir 20.00 20.00 mud, 30min St would be Annular	Is ide the Grade P P c Csg Test psig 1 Stage	99 ALT COLLA 75/8 110 110 1,892 100 70576 1 Stage	Coupling DQX DQX PQX PQX Min	Body 3.51 8.04 61.29 09-10 91.25 1 Stage	<b>Collapse</b> 2.59 2.17 2.44 2.44 2.60 2.59 <b>Drilling</b>	1704 <b>Etors</b> <b>Burst</b> 2.77 <b>2.77</b> <b>Totals:</b> If twere a Vertey Store Calc	PROD Length 8,602 11,974 20,576 Cebcal 46 Cecentr 10 Req'd	<b>UCTION</b> <b>Weigh</b> 172,040 <b>239,48</b> 411,520 0bore 0607 049,35 Min Dis
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B	casing in 20.00 20.00 mud, 30min Si would be Annular Volume 0.0835	is ide the Grade P P c Csg Test psig.	99 ALT COLLA 75/8 110 110 1,892 110 1,892	Coupling DQX DQX PQX 9125 Min	Body 3.51 8.04 61.29 0.30 9.25	<b>Collapse</b> 2.59 <b>2.17</b> 2.44 2000 - 192 860 21	1704 ctors Burst 2.77 2.77 2.77 Totals: f t were a 's aleg a0	PROD Length 8,602 11,974 20,576 erbcal es (erentr 16	<b>UCTION</b> <b>Weigh</b> 172,040 <b>239,48</b> 411,520 thore tage of Min Dist
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4 lass 'H' tail cm	casing in 20.00 20.00 mud, 30min Si would be Annular Volume 0.0835	Iside the Grade P C Csg Test psig 1 Stage Cmt Sx	99 ALT COLLA 7 5/8 110 110 110 110 10576 1 Stage CuFt Cmt 1209	Coupling DQX DQX 9125 Min Cu Ft	Body 3.51 8.04 61.29 0.00 1.25 1 Stage % Excess	Collapse 2.59 2.17 2 4.4 2 4.4 2 4.4 36012 Drilling Mud Wt. 9,60	1704 ctors Burst 2.77 2.77 Totals: f twere a 'buildy 90 Calc MASP	PROD Length 8,602 11,974 20,576 Cebcal 46 Cecentr 10 Req'd	<b>UCTION</b> <b>Weight</b> 172,04( <b>239,48(</b> 411,520 410,520 410,520 410,520 410,520 410,520 410,520 410,520 410,520 41
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4	casing in 20.00 20.00 mud, 30min Si would be Annular Volume 0.0835	Iside the Grade P C Csg Test psig 1 Stage Cmt Sx	99 ALT COLLA 7 5/8 110 110 1,892 1110 0576 1 Stage CuFt Cmt	Coupling DQX DQX 9125 Min Cu Ft	Body 3.51 8.04 61.29 0.00 1.25 1 Stage % Excess	Collapse 2.59 2.17 2.44 Seat Drilling Mud Wt	1704 ctors Burst 2.77 2.77 Totals: f twere a 'buildy 90 Calc MASP	PROD Length 8,602 11,974 20,576 Cebcal 46 Cecentr 10 Req'd	<b>UCTION</b> <b>Weight</b> 172,044 <b>239,48</b> 411,520 401,0 0000 400,0 0000 400,0 0000 400,0 0000 400,0 0000 400,0 0000 400,0 0000 400,0 0000 400,000,0
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4 lass 'H' tail cm 0 Segment "A"	casing ir 20.00 20.00 mud, 30min St could be Annular Volume 0.0835 nt yld > 1.20	Iside the Grade P P to Csg Test psign 1 Stage Cmt Sx 876	99 ALT COLLA 7 5/8 110 110 110 110 10576 1 Stage CuFt Cmt 1209	Coupling DQX DQX 9125 Min Cu Ft 1026	Body 3.51 8.04 61.29 9.25 1 Stage % Excess 18.	Collapse 2.59 2.17 2.44 Search Drilling Mud Wt. 9.60	1704 ctors Burst 2.77 2.77 Totals: f twere a 'salag a0 Calc MASP Factors	PROD Length 8,602 11,974 20,576 Chocal of Complete 10 Req'd BOPE	JCTION Weight 172,04( 239,48( 411,52) 0.00 Min Dist Hole-Cpl 0.35
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4 lass 'H' tail cm 0 Segment	casing ir 20.00 20.00 mud, 30min St could be Annular Volume 0.0835 nt yld > 1.20	Iside the Grade P P to Csg Test psign 1 Stage Cmt Sx 876	99 ALT COLLA 7 5/8 110 110 110 110 10576 1 Stage CuFt Cmt 1209	Coupling DQX DQX 9125 Min Cu Ft 1026	Body 3.51 8.04 61.29 9.25 1 Stage % Excess 18.	Collapse 2.59 2.17 2.44 Search Drilling Mud Wt. 9.60	1704 ctors Burst 2.77 2.77 Totals: f twere a 'salag a0 Calc MASP Factors	PRODU Length 8,602 11,974 20,576 entrodes 10 Req'd BOPE	UCTION Weight 172,040 239,48 411,520 0000 0000 0000 Min Dist Hole-Cpl 0,35
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4 lass 'H' tail cm 0 Segment "A"	casing ir 20.00 20.00 mud, 30min St would be Annular Volume 0.0835 nt yld > 1.20	Iside the Grade P P to Csg Test psign 1 Stage Cmt Sx 876	99 ALT COLLA 7 5/8 110 110 110 110 1892 10576 1 Stage CuFt Cmt 1209 5 1/2	Coupling DQX DQX 9125 Min Cu Ft 1026	Body 3.51 8.04 61.29 9.25 1 Stage % Excess 18.	Collapse 2.59 2.17 2.44 Search Drilling Mud Wt. 9.60	1704 ctors Burst 2.77 2.77 Totals: f twere a 'salag a0 Calc MASP Factors	PRODU Length 8,602 11,974 20,576 et local de det engl 10 Req'd BOPE Length 0 0 0	Úстібі Weight 172,044 239,48 411,520 0000 4000 9 Міп Dist Hole-Cpl 0,35
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4 lass 'H' tail cm 0 Segment "A" "B" w/8.4#/g	casing ir 20.00 20.00 mud, 30min St Could be Annular Volume 0.0835 nt yld > 1.20 #/ft mud, 30min St	Is ide the Grade P P C Csg Test psig 1 Stage Cmt Sx 876 Grade	99 ALT COLLA 7 5/8 110 110 110 1892 10576 1 Stage CuFt Cmt 1209 5 1/2	Coupling DQX DQX 9125 Min Cu Ft 1026	Body 3.51 8.04 61.29 9.25 1 Stage % Excess 18 Joint	Collapse 2.59 2.17 2.44 2.44 2.44 2.44 2.44 2.44 2.44 2.4	1704 ctors Burst 2.77 2.77 Totals: f twere a 'saley 30 Calc MASP Factors Burst Totals:	PRODU Length 8,602 11,974 20,576 Hocal of Hocal of Hocal of Hocal	UCTION Weigh 172,040 239,48 411,520 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4 lass 'H' tail cm 0 Segment "A" "B" w/8.4#/g	casing ir 20.00 20.00 mud, 30min St Could be Annular Volume 0.0835 nt yld > 1.20 #/ft mud, 30min St	Is ide the Grade P P C Csg Test psig 1 Stage Cmt Sx 876 Grade	99 ALT COLLA 7 5/8 110 110 110 1,892 1110 10576 1 Stage CuFt Cmt 1209 5 1/2 5 1/2	Coupling DQX DQX Min Cu Ft 1026 Coupling	Body 3.51 8.04 61 29 9 25 1 Stage % Excess 18 Joint 0 1 Stage	Collapse 2.59 2.17 2.44 2.44 2.44 2.44 2.44 2.44 2.66 2.59 2.17 2.44 2.44 2.66 2.59 2.17 2.44 2.66 2.59 2.17 2.44 2.66 2.66 2.69 2.69 2.69 2.17 2.44 2.69 2.69 2.69 2.69 2.69 2.69 2.69 2.69	1704 ctors Burst 2.77 2.77 Totals: f twere a valor alor Calc MASP Factors Burst Totals: trotals: f twere a calc MASP	PRODU Length 8,602 11,974 20,576 Hocal of 10 Req'd BOPE Length 0 0 20576 Req'd	UCTION Weigh 172,04( 239,48 411,520 Ubore 249,23 Min Dist Hole-Cpl 0,35 Weight 0 0 0 0 overlap. Min Dist
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4 lass 'H' tail cm 0 Segment "A" "B" w/8.4#/g Cn Hole Size Cn	casing ir 20.00 20.00 mud, 30min St 20.01 mud, 30min St 20.01 Mular Volume 0.0835 nt yld > 1.20 #/ft mud, 30min St nt vol calc be	Iside the Grade P P C Csg Test psig 1 Stage Cmt Sx 876 Grade	99 ALT COLLA 7 5/8 110 110 110 10576 1 Stage CuFt Cmt 1209 5 1/2	Coupling DQX DQX Min Cu Ft 1026 Coupling	Body 3.51 8.04 61.29 9.25 1 Stage % Excess 18 Joint	Collapse 2.59 2.17 2.44 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1704 ctors Burst 2.77 2.77 Totals: f twere a Soley 90 Calc MASP Factors Burst Totals: trotals:	PRODU Length 8,602 11,974 20,576 Hocal & Control 10 Req'd BOPE Length 0 0 0 20576	UCTION Weight 172,04( 239,48 411,52( 0) ore 149,1 9 Min Dist Hole-Cpl 0,35 Weight 0 0 0
lass 'C' tail cm Tail cmt 5 1/2 Segment "A" "B" w/8.4#/g B Hole Size 6 3/4 lass 'H' tail cm 0 Segment "A" "B" w/8.4#/g Cm	casing ir 20.00 20.00 mud, 30min St could be Annular Volume 0.0835 nt yld > 1.20 #/ft mud, 30min St nt vol calc be Annular	1 Stage Cmt Sx 876 Grade	99 ALT COLLA 7 5/8 110 110 110 10576 1 Stage CuFt Cmt 1209 5 1/2 5 1/2 s this csg, 1 1 Stage CuFt Cmt 0	Coupling DQX DQX Min Cu Ft 1026 Coupling	Body 3.51 8.04 61 29 9125 1 Stage % Excess 18 Joint 0 1 Stage % Excess	Collapse 2.59 2.17 2.44 2.44 2.44 2.44 2.44 2.44 2.66 2.59 2.17 2.44 2.44 2.66 2.59 2.17 2.44 2.66 2.59 2.17 2.44 2.66 2.66 2.69 2.69 2.69 2.17 2.44 2.69 2.69 2.69 2.69 2.69 2.69 2.69 2.69	1704 ctors Burst 2.77 2.77 Totals: f twere a valor alor Calc MASP Factors Burst Totals: trotals: f twere a calc MASP	PRODU Length 8,602 11,974 20,576 Hocal of 10 Req'd BOPE Length 0 0 20576 Req'd	UCTION Weigh 172,04( 239,48 411,520 Ubore 249,23 Min Dist Hole-Cpl 0,35 Weight 0 0 0 0 overlap. Min Dist

.