

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*Carlsbad Field
OCD Artesia
NMNM88139

Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

If Unit or CA/Agreement, Name and/or No.

Corral Fly 35-26 Fed Com

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

Multiple--See Attached

354

2. Name of Operator

OXY USA INCORPORATED

Contact: DAVID STEWART

E-Mail: david_stewart@oxy.com

9. API Well No.

Multiple--See Attached

30-015-44730

3a. Address

5 GREENWAY PLAZA SUITE 110
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)

Ph: 432.685.5717

10. Field and Pool or Exploratory Area

POKER LAKE-DELAWARE, EAST
PURPLE SAGE-WOLFCAMP (GAS)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple--See Attached

11. County or Parish, State

EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original APD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment 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 three wells will have a similar design. The specific details (i.e. depths, cement volumes, etc) that are attached are for the 34H.

Corral Fly 35-26 Federal Com #34H - 30-015-44729 - NMNM88139
Corral Fly 35-26 Federal Com #35H - 30-015-44730 - NMNM88139
Corral Fly 35-26 Federal Com #36H - 30-015-44731 - NMNM88139

1. Amend the surface, intermediate, and production casings size, type, and depth, see attached.

2. Amend the surface, intermediate and production casing cementing program, see attached.

RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL
NOV 06 2018
DISTRICT OFFICE, O.C.D.GC 11-7-18
Accepted for record - NMOCD

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #437438 verified by the BLM Well Information System

For OXY USA INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by PRISCILLA PEREZ on 10/01/2018 (19PP0004SE)

Name (Printed/Typed) DAVID STEWART

Title REGULATORY ADVISOR

Signature (Electronic Submission)

Date 09/27/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By MUSTAFA HAQUE

Title PETROLEUM ENGINEER

Date 11/05/2018

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.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

PWP 12-10-18

Additional data for EC transaction #437438 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM88139	NMNM88139	CORRAL FLY 35-26 FEDERAL COMB	44729-00-X1	Sec 2 T25S R29E 434FNL 1308FEL 32.165340 N Lat, 103.950829 W Lon
NMNM88139	NMNM88139	CORRAL FLY 35-26 FEDERAL COMB	44730-00-X1	Sec 2 T25S R29E 434FNL 1278FEL 32.165340 N Lat, 103.950729 W Lon
NMNM88139	NMNM88139	CORRAL FLY 35-26 FEDERAL COMB	44731-00-X1	Sec 2 T25S R29E 434FNL 1248FEL 32.165340 N Lat, 103.950630 W Lon

32. Additional remarks, continued

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

4. Amend the mud program, see attached.

Annular Clearance Variance Request - As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

BOP Break Testing Request - As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions:

1. After a full BOP test is conducted on the first well on the pad.
2. When skidding to drill an intermediate section that does not penetrate into the Wolfcamp.
3. Full BOP test will be required prior to drilling any production hole.

OXY USA Inc. - Corral Fly 35-26 Federal Com 34H, 35H, 36H – Amended Drill Plan

This is a bulk sundry request for three wells on a single pad. The wells related to this sundry request are:

API#	Well Name	Lease Serial #
3001544729	Corral Fly 35-26 Fd Com 34H	NMNM88139
3001544730	Corral Fly 35-26 Fd Com 35H	NMNM88139
3001544731	Corral Fly 35-26 Fd Com 36H	NMNM88139

The three wells will share a similar design. However, casing depths and cement volumes will differ slightly from well to well. The specific details shown below belong to the Corral Fly 35-26 Fed Com 34H.

1. Casing Program

									Buoyant	Buoyant
Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
	From (ft)	To (ft)					Collapse		Tension	Tension
14.75	0	446 465	10.75	40.5	J-55	BTC	1.125	1.2	1.4	1.4
9.875	0	9724	7.625	26.4	L-80	BTC	1.125	1.2	1.4	1.4
6.75	0	20524	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
							SF Values will meet or Exceed			

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 cancellation cone and not pump the second stage.

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

OXY USA Inc. - Corral Fly 35-26 Federal Com 34H, 35H, 36H – Amended Drill Plan

2. Cementing Program

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H2O (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	365	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate 1st Stage (Lead)	827	10.2	2.58	11.568	6:59	Pozzolan Cement, Retarder
Intermediate 1st Stage (Tail)	167	13.2	1.61	7.804	7:11	Class H Cement, Retarder, Dispersant, Salt
DV/ECP Tool @ 3285 (We request the option to cancel the second stage if cement is circulated to surface during the first stage of cement operations)						
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	793	13.6	1.67	8.765	7:32	Class C Cement, Accelerator, Retarder
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Production (Tail)	829	13.2	1.38	6.686	3:39	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	446	100%
Intermediate 1st Stage (Lead)	3185	8724	20%
Intermediate 1st Stage (Tail)	8724	9724	20%
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	0	3285	100%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	9224	20524	20%

OXY USA Inc. - Corral Fly 35-26 Federal Com 34H, 35H, 36H – Amended Drill Plan

3. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
9.875" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
			Blind Ram	✓	250/5000psi
			Pipe Ram		
			Double Ram	✓	
			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.

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.
	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.
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.

BOP Break Testing Request

As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions:

- After a full BOP test is conducted on the first well on the pad.
- When skidding to drill an intermediate section that does not penetrate into the Wolfcamp.
- Full BOP test will be required prior to drilling any production hole.

4. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	446	Water-Based Mud	8.6-8.8	40-60	N/C
446	9724	Saturated Brine-Based or Oil-Based Mud	8.0-10.0	35-45	N/C
9724	20524	Water-Based or Oil-Based Mud	9.5-12.0	38-50	N/C

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.

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

Condition	Specify what type and where?
BH Pressure at deepest TVD	6457 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	163°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.

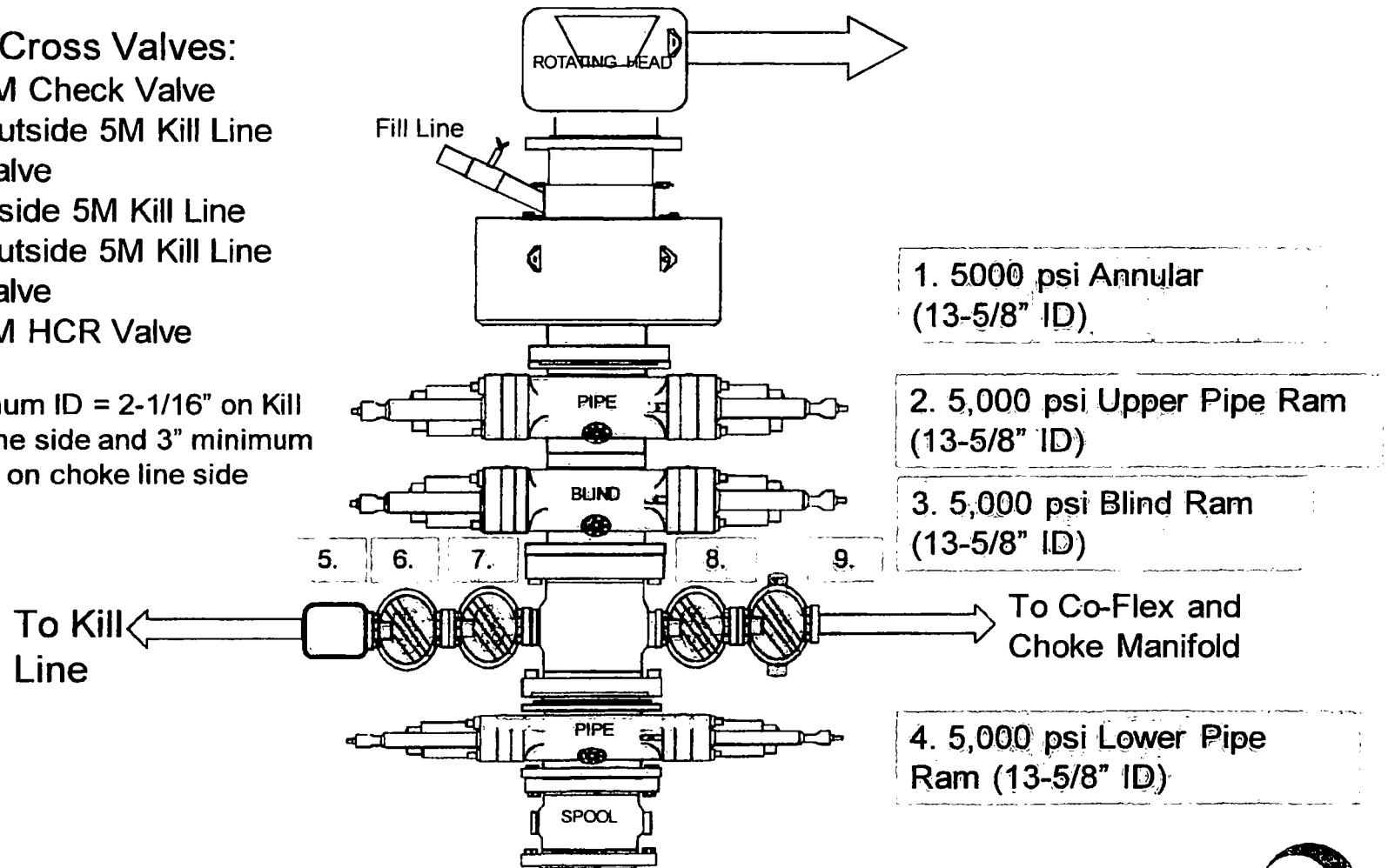
Total estimated cuttings volume: 1451.2 bbls.

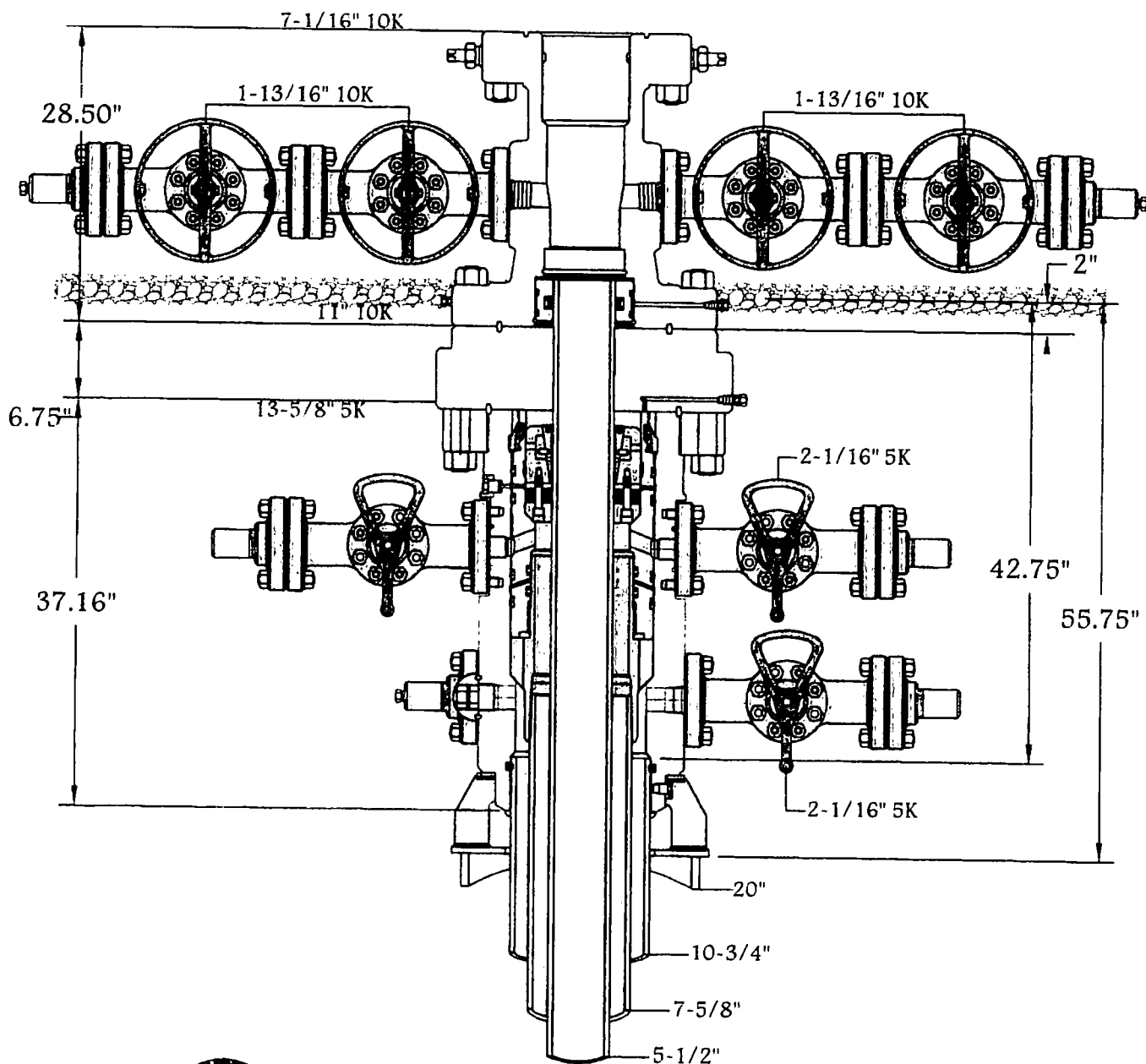
5M BOP Stack

Mud Cross Valves:

5. 5M Check Valve
6. Outside 5M Kill Line Valve
7. Inside 5M Kill Line Valve
8. Outside 5M Kill Line Valve
9. 5M HCR Valve

*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side





13-5/8" 5K MN-DS

CAMERON
A Schlumberger Company

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PECOS DISTRICT

DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INC.
LEASE NO.:	NMNM88139
WELL NAME & NO.:	34H – CORRAL FLY 35-26 FEDERAL COM
SURFACE HOLE FOOTAGE:	434'/N & 1308'/E
BOTTOM HOLE FOOTAGE:	180'/N & 2140'/E
LOCATION:	Section 2., T25S., R.29E., NMP
COUNTY:	EDDY County, New Mexico

Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input type="radio"/> Low	<input checked="" type="radio"/> Medium	<input type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP

All previous COAs still apply

A. CASING

1. The **10 3/4** inch surface casing shall be set at approximately **465** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **7 5/8** inch production casing is:

Operator has proposed DV tool at a depth of 3285', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If operator circulates cement on the first stage, operator is approved to inflate the ACP and run the DV tool cancellation plug and cancel the second stage of the proposed cement plan. If cement does not circulate, operator will inflate ACP and proceed with the second 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. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.**
3. The minimum required fill of cement behind the 5 1/2 inch production casing is:
- Cement as proposed. Operator shall provide method of verification. Excess calculate to **19%** - additional cement might be required.

MHH 11052018

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ Chaves and Roosevelt Counties

Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.

During office hours call (575) 627-0272.

After office hours call (575)

☒ Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. 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. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.