

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

HOBBS OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

OCT 14 2015

<p>SUNDRY NOT RECEIVED 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.)</p>		<p>WELL API NO. 30-025-36489</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator OXY USA Inc.</p>		<p>6. State Oil & Gas Lease No. VA-564</p>
<p>3. Address of Operator P.O. Box 50250 Midland, TX 79710</p>		<p>7. Lease Name or Unit Agreement Name Copperhead 13 State</p>
<p>4. Well Location Unit Letter <u>P</u> : <u>660</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>18</u> Township <u>24S</u> Range <u>33E</u> NMPM County <u>Lea</u></p>		<p>8. Well Number <u>1</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3541'</u></p>		<p>9. OGRID Number 16696</p>
<p>10. Pool name or Wildcat Twiste Draw Strawn, East (Gas)</p>		

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <u>MIT</u>	<input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>	

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. NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached

Spud Date:

Rig Release Date:

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

SIGNATURE David Stewart TITLE Sr. Regulatory Advisor DATE 10/8/15

Type or print name David Stewart E-mail address: david_stewart@oxy.com PHONE: 432-685-5717

For State Use Only

APPROVED BY: Malay S Brown TITLE Dist. Supervisor DATE 10/21/2015

Conditions of Approval (if any)

14 MONTHS - NO PROD REPORTED OCT 22 2015

Attachment C-103

Copperhead 18 State #1 – 30-025-36489

OXY USA Inc. respectfully requests to temporarily abandon this well. It is currently being evaluated for possible future recompletion in the Wolfcamp.

Current Status:

The Copperhead 18 State #1 was shut in & production equipment pulled in August-2014 to run downhole microseismic sensor tools to monitor the Copperhead 18 State #5H stimulation. All production equipment was pulled out of hole and a RBP was set at 11,708'. After performing the microseismic monitoring & pulling the downhole sensors, the decision was made to evaluate the vertical recompletion into the Wolfcamp due to the uneconomic production from the Strawn (~10 mcf/d). The vertical plugback application was filed with the NMOCD on 6/2/2015 and approved 8/10/2015. Since the permit was filed, it was determined that the Wolfcamp C could be economically accessed via a horizontal re-entry. Successful results of this horizontal re-entry would yield a new development reservoir for OXY in the Copperhead 18 State lease (Sec. 18, T24S R33E) with 3+ additional locations. Further horizontal Wolfcamp C development outside of the Copperhead 18 State lease would also be evaluated.

Proposed Procedure:

- 1.) RIH & POOH w/ RBP set at 11,708'.
- 2.) Temporarily abandon the Strawn perforations from 14,228' – 14,388' with CIBP set in 4-1/2" casing liner at 14,178' (50' above top perforation).
- 3.) Notify NMOCD of casing integrity test 24hrs in advance.
- 4.) RU pump truck, pressure test casing to 500# for 30 min.
- 5.) RIH w/ CBL & USIT log. Log 7" production casing from Surface – 12,362' (top of 4-1/2" casing liner) at 0 psi. Run pressure pass from 10,000' – 12,362' @ 1,000 psi.
- 6.) Assess CBL & USIT logs for casing integrity (wall thickness) & cement integrity for proposal to drill a horizontal side-track into the Wolfcamp C interval ~13,250' (TVD).
- 7.) If CBL & USIT reveal good cement & casing integrity, OXY will file for the horizontal re-entry/plugback application permit with NMOCD along with the proposed procedure.
- 8.) If CBL & USIT reveal poor cement or casing integrity, Oxy will follow the approved vertical plugback into the Wolfcamp interval (accessed via the 4-1/2" casing liner from 12,362' – 14,627').

OXY USA Inc. - Current
Copperhead 18 State #1
API No. 30-025-36489

17-1/2" hole @ 727'
13-3/8" csg @ 727'
w/ 575sx-TOC-Surf-Circ

12-1/4" hole @ 5034'
9-5/8" csg @ 5034'
w/ 2900sx-TOC-Surf-Circ

RBP @ 11708'

8-3/4" hole @ 12646'
7" csg @ 12646'
w/ 700sx-TOC-7230'-TS

6-1/8" hole @ 14627'
4-1/2" liner @ 12362-14627'
w/ 345sx-TOC-12362'-Circ

Model R Pkr @ 14438' w/ blk plug

Perfs @ 14228-14388'
Perfs @ 14477-14532'

TD-14627'

OXY USA Inc. - Proposed
Copperhead 18 State #1
API No. 30-025-36489

17-1/2" hole @ 727'
13-3/8" csg @ 727'
w/ 575sx-TOC-Surf-Circ

12-1/4" hole @ 5034'
9-5/8" csg @ 5034'
w/ 2900sx-TOC-Surf-Circ

8-3/4" hole @ 12646'
7" csg @ 12646'
w/ 700sx-TOC-7230'-TS

6-1/8" hole @ 14627'
4-1/2" liner @ 12362-14627'
w/ 345sx-TOC-12362'-Circ

CIBP @ 14178'

Model R Pkr @ 14438' w/ blk plug

Perfs @ 14228-14388'
Perfs @ 14477-14532'



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Phone: (505) 476-3460 Fax: (505) 476-3462

HOBBS OCD

JUN 05 2015

RECEIVED

State of New Mexico

Energy Minerals and

Oil Conservation

1220 South St. Francis

Santa Fe, NM 87505

E-PERMITTING --- New Well
Comp _____ P&A _____ TA _____
CSNG _____ Loc Chng _____
ReComp _____ Add New Well _____
Cancel Well _____ Grate Pool _____

Form C-101
Revised July 18, 2013

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A

Operator Name and Address OKY USA Inc. P.O. Box 50250 Midland, TX 79710		OGRID Number 16696
Property Code 305898		API Number 30-025-36489
Property Name Copperhead 18 State		Well No. 1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
P	18	24S	33E		660	South	660	east	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name Johnson Ranch West Wolfcamp Gas	Pool Code 96825
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Additional Well Information

11. Work Type P	12. Well Type G	13. Cable/Rotary R	14. Lease Type S-1A564	15. Ground Level Elevation 3541'
16. Multiple NO	17. Proposed Depth 14627' AB-13978'	18. Formation Wolfcamp	19. Contractor N/A	20. Spud Date After Approval
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
S	17 1/2"	13 3/8"	48	727'	575	Surf Cinc
I	12 1/4"	9 5/8"	40	5034'	2900	Surf Cinc
P	8 3/4"	7"	23-26	12646'	700	7230'-TS
Casing/Cement Program: Additional Comments						
L	6 1/8"	4 1/2"	15.1	12362-14627'	345	12362'

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.

Signature: *David Stewart* 6/2/15

Printed name: David Stewart

Title: Sr. Regulatory Advisor

E-mail Address: david_stewart@oky.com

Date: Phone: 432-655-5717

OIL CONSERVATION DIVISION

Approved By:

Title: Petroleum Engineer

Approved Date: 08/10/15

Expiration Date: 08/10/17

Conditions of Approval Attached

AUG 20 2015