

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

HOBBS OCD

FORM 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM81272 ✓
2. Name of Operator OXY USA INCORPORATED ✓		6. If Indian, Allottee or Tribe Name
Contact: DAVID STEWART E-Mail: david_stewart@oxy.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address P O BOX 4294 HOUSTON, TX 77210-4294	3b. Phone No. (include area code) Ph: 432-685-5717 Fx: 432-685-5742	8. Well Name and No. PRIZE FEDERAL 13 ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T22S R32E NESE 1980FSL 330FEL ✓		9. API Well No. 30-025-32488-00-S1 ✓
		10. Field and Pool or Exploratory Area W RED TANK
		11. County or Parish, State LEA 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 Workover Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleat 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 recompleat 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.

- MIRU PU. RD Horse Head, Un-seat pump and POOH w/ Rods and Pump.
- Un-seat TAC. RU tbg scanner and scan tbg while POOH w/ 2-3/8" tbg. Report tbg condition, the 2-3/8" tbg may use during the job
- PU 4-3/4" bit and scraper. RIH and CO to 4088'.
- MIRU WL, RIH w/ CBP, set at approximately 4060'. RU tbg testing company. PU 5-1/2" Watson Packer on 2-3/8" tbg. RIH to pressure test tubing to 5000psi and CBP to 2000psi, POOH and LD packer.
- MIRU WL company. RIH and cement retainer at 4010', RD WL. RIH w/ 2-3/8" tbg and sting into

**SUBJECT TO LIKE
APPROVAL BY STATE**

APPROVED
**SEE ATTACHED FOR
CONDITIONS OF APPROV**

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

Electronic Submission #381062 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/17/2017 (17PP0447SE)

Name (Printed/Typed) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 07/12/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>Paul R. Stewart</i> 10/17/2017	Title <i>TPET</i>	Date
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		

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 ****

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Additional data for EC transaction #381062 that would not fit on the form

32. Additional remarks, continued

retainer. MIRU Petroplex Cement Company. Perform squeeze job.
Sting out, Shut down and POOH w/ 2-3/8" tbg, WOC.

6. PU 4-3/4" drill bit on 2-3/8" working string and RIH to drill out cement retainer and CBP. CO to
PBTD, POOH.

7. MU BHA (Watson Tandem Packer, Sub, SN). RU Petroplex acid company, acidize stage 1 via 2-3/8"
tbg. Release Packer, move uphole and repeat process for the remaining stages. Shut well for 45
min.

8. RIH w/ tbg, TAC, Rods and pump per AL specialist design.

9. Turn well to production.

See attached for the complete procedure and WBD.

Well Prep Procedure : POOH and RIH w/ CBP

1. Check well pressure, bleed off tubing and casing pressure to grounded flowback tank. If well does not die; kill well w/10 ppg brine down tbg and casing.
2. MIRU PU. Unload 5K BOP and function Test.
3. Un-hang well and remove pumping unit Horse Head. RU rig floor and tools.
4. Pull out and LD 1.25" (1 1/4") C x 26' polish rod w/1.5" x 16' Liner Polish Rod, LD Stuffing box.
5. Un-set pump and begin POOH w/rods and pump. Please verify and document rod grade.
6. Inspect rods and pump, send pump for tear down, collect any solids samples found and give to Nalco chemical for analysis. RD rod/pump pulling equipment.
7. NU 5K BOP and tbg equipment. Un-set TAC set at ~8,376'.
8. RU tbg scanner. POOH /Scan 2 3/8" J-55, 4.7#/ft , T&C, and downhole equipment. Stand back tbg on Rig floor. Report finding. (Depend on tbg condition; same tbg will be used as working string).
9. RD tbg scanner.
10. PU 4 3/4" bit and scraper. RIH to CO to 4,088' and POOH , LD scarper and bit
11. MIRU WL Company. PU and RIH w/ 5 1/2" CBP set at 4,060' (22' below Ramsey Formation bottom perf at 4,038'). POOH
12. MIRU tubing Tester Company. MU BHA (5 1/2" packer x 2 3/8" J55 tbg w/ 2 3/8" SN)
13. RBIH and Hydro Test tubing to 5,000 psi.
14. Set Packer at 4,050' (12' above CBP set at 4,060'). Load tubing and pressure test CBP to 1500 psi for 15 mins.
15. Bleed off pressure, release packer and POOH, LD packer and standback tubing.

Well Prep Procedure : Squeeze Ramsey perforations:

16. MIRU WL Company. PU 5 1/2" CICR retainer, RIH and set at 4,000' (25' above Ramsey Formation top perf at 4,025'). POOH and RD WL company.
17. PU 2 3/8" tbg, RIH and sting into retainer and pressure test to 500 psi. Bleed off pressure and Sting out of retainer.
18. MIRU Petroplex cement company.
19. Sting back into retainer, establish Injection rate with fresh water. Begin pumping cement slurry (estimated 150 sacks of class C per Petroplex design). Displace cement w/ Fresh water and squeeze perfs from 4,025' - 4,038'. Sting out and equalize tbg and casing pressure ensure to leave +/- 1 bbl of cement on top of CICR retainer.
20. Flush tbg w/ minimum volume = twice tbg capacity to ensure tubing is clear.
21. POOH of hole w/ 2 3/8" tbg , Shut down and WOC for 24 hours.

Well Prep Procedure : DO/ CO Cement Procedure:

22. PU 4 3/4" JZ bit OD (~98 % of the production casing Drift ID. **Production casing: 5 1/2" OD, J-55, 17#/ft, BTC, 4.892" ID, 4.767" DID, set at 9,272'.** On 2 3/8" working string.
23. RIH to drill out cement, retainer and CBP's, clean out to PBTD at 8,803'.
24. POOH/LD 4 3/4" JZ bit and stand back 2 3/8" working String on rig floor.

Acidize Procedure:

25. MU BHA (5 ½" Watson Tandem Packer x 2 3/8" J55 tubing). RIH and set upper packer at 8,390' (19' above stage 1 Top perf at 8,409'). No need to set the lower packer.

Stage 1 (8,409'-8,464')

26. MIRU Petroplex acid company. Review JSA, scope of work, acid spill and hazards. Pressure test lines to 6,500 psi.
27. Begin acidizing Stage 1 as following:

NOTE:

Total volumes for stage 1: (1,690 gal 7.5% HCL, injection rate 2.5bpm, total time ~20mint.).

- a) Pump 2 bbl of 7.5% HCL acid.
 - b) Pump 36 bbl, 7.5% HCL acid.
 - c) Pump 2 bbl, 7.5%HCL acid.
 - d) Flush w/ 48 bbl, 2%KCL fluid. (Overflushed if needed).
 - e) Record ISIP at 5, 10, 15 mints.
 - f) Shut in well for 45 mints
 - g) Open well and flowback, if well went on vacuum, then proceed with step 29 below otherwise Flowback well until dies.
28. RD Petroplex and MI rig crew and Packer, release packer set at 8,390' pull uphole, set lower packer at 6,902' (20' below stage 2 bottom perf at 6,882') and Upper packer at 6,850' (20' above stage 2 Top perf at 6,870')
29. RD rig crew and RU. RU Petroplex acid company. Begin acidizing Stage 2 as following:

Stage 2 (6,870'-6,882')

NOTE:

- Total volumes for stage 2: (1560 gal 7.5% HCL, injection rate 2.5bpm, total time ~31 mint.).

- a) Pump 3 bbl of 7.5% HCL acid.
 - b) Pump 32 bbl, 7.5% HCL acid.
 - c) Pump 2 bbl, 7.5%HCL acid.
 - d) Flush w/ 72 bbl, 2%KCL fluid. (Overflushed if needed).
 - e) Record ISIP at 5, 10, 15 mints.
 - f) Shut in well for 45 mints
 - g) Open well and flowback, if well went on vacuum, and then proceed with step 31 below otherwise Flowback well until dies.
30. RD Petroplex and MI rig and Packer crew, release Upper packer set at 6,850' and bottom packer at 6,902' and begin POOH and LD w/ packer and tbg.

RIH w/ BHA and Production Procedure:

31. MIRU PU crew
32. Check wellhead and casing pressure. Bleed off pressure to reserve pit or grounded flowback tank.
33. PU and RIH w/ tubing and BHA per AL specialist design as following design to be provided
34. Load tbg w/ brine water, pressure test tubing to 500 psi.
35. Long stroke pump with 7 SPM.
36. Hang Pumping unit Horse Head, space out pump off bottom.
37. ND 5K BOP. RDMO PU and clean location.
38. Turn well to production

Conditions of Approval

Oxy USA Incorporated
Prize - 13, API 3002532488
T22S-R32E, Sec 22, 1980FSL & 330FEL
October 17, 2017

- 1. Submit a subsequent report of the 6870-6882 perforating operations.**
- 2. Within 90 days of these conditions of approval for the processed Electronic Submission #381062 notice of intent begin wellbore operations.**
- 3. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.**
4. Obtain BLM casing design approval prior to repairing, replacing, or installing a liner. Use notice of intent Form 3160-5.
5. Subject to like approval by the New Mexico Oil Conservation Division.
6. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15.
- 7. Attach to a pswartz@blm.gov email an electronic copy (Adobe Acrobat Document) cement bond log record from 8350 or below to top of cement taken with 0psig casing pressure.**
8. Surface disturbance beyond the existing pad shall have prior approval.
9. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
10. Functional H₂S monitoring equipment shall be on location.
11. Blow Out Prevention Equipment 3000 (3M) to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels or automatic locking devices) equipment installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) employed when needed for reasonable well control requirements.
12. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created by work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Portojohns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 13. Record and date operations daily on the subsequent report and include maximum/minimum injection rate (BPM) and max/min stimulation injection pressures.**
14. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.

15. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.

Operator: Oxy USA Incorporated
Surface Lease: NM81272
Case No: NM81272

BHL: NM81272
Lease Agreement

Subsurface Concerns for Casing Designs: KFC

Well Status: NOI-WO
Spud date: 10/25/1994
Plug'd Date:
Reentry Date:

Well: PRIZE FEDERAL-13

API: 3002532488
@ Srfce: T22S-R32E,22.1980s330e
@ M TD: T22S-R32E,22.1980s330e
Estate: FVF

KB: 3711
GL: 3692
Corr: 19

