

Well Name: MESA VERDE WC UNIT	Well Location: T24S / R32E / SEC 18 / LOT 4 / 32.211133 / -103.7185247	County or Parish/State: LEA / NM
Well Number: 12H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM66925	Unit or CA Name:	Unit or CA Number:
US Well Number: 300254587400X1	Well Status: Drilling Well	Operator: OXY USA INCORPORATED

Notice of Intent

Carlsbad Field Office Operator Copy

Type of Submission: Notice of Intent

Type of Action: Other

Date Sundry Submitted: 03/11/2021

Time Sundry Submitted: 02:44

Date proposed operation will begin: 04/15/2021

Procedure Description: OXY USA Inc requests approval to change the APD casing, cement and mud programs for the subject well. Also note the offline cementing and BOP Break testing variance requests added to the drill plan. Please find the attached revised drill plan and directional for BLM approval.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

MesaVerdeWCUnit12H_DirectPlan_20210311095054.pdf

MesaVerdeWCUnit12H_DirectPlot_20210311095038.pdf

MESAVERDEWCUNIT12H_DrillPlan_20210311095021.pdf

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LOT 4 / 32.211133 / -103.7185247

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NM

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INCORPORATED

Conditions of Approval

Additional Reviews

Mesa_Verde_WC_Unit_12H_DrillingSundryCOA_1517940_20210322102311.pdf

182432M_Sundry_1517940_Mesa_Verde_WC_Unit_12H_Lea_NMNM066925_Oxy_13_22_03222021_NMK_20210322
102257.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: REEVES

Signed on: MAR 11, 2021 02:44 PM

Name: OXY USA INCORPORATED

Title: Advisor Regulatory

Street Address: 5 Greenway Plaza, Suite 110

City: Houston

State: TX

Phone: (713) 366-5716

Email address:

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INCORPORATED
LEASE NO.:	NMNM128362
LOCATION:	Section 18, T.24 S., R.32 E., NMP
COUNTY:	Lea County, New Mexico

WELL NAME & NO.:	MESA VERDE WC UNIT / 12H
SURFACE HOLE FOOTAGE:	365'/S & 1378'/W
BOTTOM HOLE FOOTAGE:	180'/S & 2200'/W

WELL NAME & NO.:	MESA VERDE WC UNIT / 13H
SURFACE HOLE FOOTAGE:	330'/S & 1378'/W
BOTTOM HOLE FOOTAGE:	180'/N & 1260'/W

WELL NAME & NO.:	MESA VERDE WC UNIT / 14H
SURFACE HOLE FOOTAGE:	400'/S & 1378'/W
BOTTOM HOLE FOOTAGE:	180'/N & 440'/W

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Cave/Karst Potential	<input type="radio"/> Critical		
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input type="radio"/> Multibowl	<input checked="" type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input checked="" type="checkbox"/> Fluid Filled	<input checked="" type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

Break Testing	<input checked="" type="radio"/> Yes	<input type="radio"/> No
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ALL PREVIOUS COAs STILL APPLY.

A. CASING

Casing Design:

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

- The minimum required fill of cement behind the 7-5/8 inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

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.
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 to pump down 10-3/4" X 7-5/8" annulus. Operator must run a CBL or ECHO-METER from TD of the 7-5/8" casing to surface. Submit results to BLM.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Option 1 (Single Stage):

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

Option 2:

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 should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

B. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
- 2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.**
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

C. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

BOPE Break Testing Variance

- BOPE Break Testing is ONLY permitted for 5M BOPE or less.
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required.
- The BLM is to be contacted (**575-393-3612 Lea County**) 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at 21-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per Onshore Oil and Gas Order No. 2.

Offline Cementing

- Contact the BLM prior to the commencement of any offline cementing procedure.

NMK3222021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 22303

CONDITIONS OF APPROVAL

Operator:	OXY USA INC	P.O. Box 4294	Houston, TX772104294	OGRID:	16696	Action Number:	22303	Action Type:	C-103A
OCD Reviewer	Condition								
pkautz	None								