

Well Name: DEPTH CC 6-7 FEDERAL COM	Well Location: T24S / R29E / SEC 6 / LOT 3 / 32.253819 / -104.0280775	County or Parish/State: EDDY / NM
Well Number: 42H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM013996, NMNM13996	Unit or CA Name:	Unit or CA Number:
US Well Number: 3001546780	Well Status: Approved Application for Permit to Drill	Operator: OXY USA INCORPORATED

Notice of Intent

Sundry ID: 2387868

Type of Submission: Notice of Intent	Type of Action: Other
Date Sundry Submitted: 05/19/2021	Time Sundry Submitted: 09:37
Date proposed operation will begin: 08/01/2021	

Procedure Description: OXY USA Inc. respectfully requests to amend the casing, cement, mud, BOP programs on the subject well approved APD. Also note the offline cementing variance, CBL variance, BOP break testing language, updated wellhead diagram, and the skid order in the revised drill plan attachments.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- DepthCC6_7FederalCom42H_SFTORQ_20210519093650.pdf
- DepthCC6_7FederalCom42H_DQW_20210519093638.pdf
- DepthCC6_7FederalCom42H_BOP_20210519093623.pdf
- DepthCC6_7FederalCom42H_BreakBOPSKID_20210519093612.pdf
- DepthCC6_7FederalCom42H_DrillPlan_20210519093557.pdf

Received by OCD: 10/6/2021 8:10:43 AM

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Conditions of Approval

Additional Reviews

Depth_CC_6_7_Federal_Com_42H_Sundry_ID_2387868_20211005130116.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: LESLIE REEVES	Signed on: MAY 19, 2021 09:36 AM
Name: OXY USA INCORPORATED	
Title: Advisor Regulatory	
Street Address: 5 GREENWAY PLAZA, SUITE 110	
City: HOUSTON	State: TX
Phone: (713) 497-2492	
Email address: LESLIE_REEVES@OXY.COM	

Field Representative

Representative Name:		
Street Address:		
City:	State:	Zip:
Phone:		
Email address:		

BLM Point of Contact

BLM POC Name: CHRISTOPHER WALLS	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5752342234	BLM POC Email Address: cwalls@blm.gov
Disposition: Approved	Disposition Date: 10/05/2021
Signature: Chris Walls	

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA Incorporated
LEASE NO.:	NMNM013996
LOCATION:	Section 6, T.24 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

WELL NAME & NO.:	Depth CC 6-7 Federal Com 42H
SURFACE HOLE FOOTAGE:	170'N & 1320'W
BOTTOM HOLE FOOTAGE:	20'S & 1700'S

COA

H2S	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Potash	<input checked="" type="checkbox"/> None	<input type="checkbox"/> Secretary	<input checked="" type="checkbox"/> R-111-P
Cave/Karst Potential	<input type="checkbox"/> Low	<input checked="" type="checkbox"/> Medium	<input checked="" type="checkbox"/> High
Cave/Karst Potential	<input type="checkbox"/> Critical		
Variance	<input type="checkbox"/> None	<input checked="" type="checkbox"/> Flex Hose	<input type="checkbox"/> Other
Wellhead	<input type="checkbox"/> Conventional	<input checked="" type="checkbox"/> Multibowl	<input checked="" type="checkbox"/> 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="checkbox"/> Yes	<input type="checkbox"/> No
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A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **10-3/4** inch surface casing shall be set at approximately **319 feet** (a minimum of **70 feet (Eddy County)** 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.

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

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

Operator has proposed to cement in two stages by conventionally cementing the first stage and performing a bradenhead squeeze on the second stage.

- a. First stage: Operator will cement **5,145 feet** with intent to reach the top of the Brushy Canyon.
 - b. Second stage:
 - Operator will perform bradenhead squeeze. 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.
Cement excess is less than 25%, more cement might be required.
- ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Operator has proposed to pump down 10-3/4" X 7-5/8" annulus. Operator must run Echo-meter to verify fluid top and the volume of displacement fluid above the cement slurry in the annulus Or operator must run a CBL from TD of the 7-5/8" casing to surface. Submit results to BLM. Operator must run one CBL per Well Pad.

3. The minimum required fill of cement behind the production casing is:

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

C. 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.

D. 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.

Offline Cementing

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

BOPE Break Testing Variance

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. **(Annular preventer must be tested to 70% working pressure)**
- Approve as written on drill plan.
- 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 **(575-361-2822 Eddy 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.

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)

☒ 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

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

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. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
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. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
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.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. 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.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not

hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion 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.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Oxy USA Inc. – Depth 41H/42H/43H/44H, Radius 51H/52H Break Test Sundry

Oxy requests permission to Break Test, as per the agreement reached in the OXY/BLM meeting on September 5, 2019.

API #	Well Name
30-015-46777	Depth CC 6 7 Federal Com 41H
30-015-46780	Depth CC 6 7 Federal Com 42H
30-015-46781	Depth CC 6 7 Federal Com 43H
30-015-46779	Depth CC 6 7 Federal Com 44H
30-015-46825	Radius CC 6 7 Federal Com 51H
30-015-46826	Radius CC 6 7 Federal Com 51H

BOP break test under the following conditions:

- After a full BOP test is conducted
- When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower.
- When skidding to drill a production section that does not penetrate into the third Bone Spring or deeper.

If the kill line is broken prior to skid, two tests will be performed.

1. Wellhead flange, co-flex hose, kill line connections and upper pipe rams
2. Wellhead flange, HCR valve, check valve, upper pipe rams

If the kill line is not broken prior to skid, only one test will be performed.

1. Wellhead flange, co-flex hose, check valve, upper pipe rams

Depth 43H/44H	
PRIMARY SKID ORDER	
Step	Operation
1	RU on Depth 43H
2	Full BOP Test
3	Drill 9-7/8" Deep Intermediate on Depth 43H
4	Skid to Depth 44H
5	Full BOP Test
6	Drill 9-7/8" Deep Intermediate and 6-3/4" Curve/Lateral on Depth 44H
7	Skid to Depth 43H
8	Full BOP Test
9	Drill 6-3/4" Curve/Lateral on Depth 43H
10	Rig Down on Depth 43H
	NOTE: No opportunity to Break Test per Variance Rules

Oxy USA Inc. – Depth 41H/42H/43H/44H, Radius 51H/52H Break Test Sundry

Depth 41H/42H, Radius 51H/52H	
PRIMARY SKID ORDER	
Step	Operation
1	RU on Radius 52H
2	Full BOP Test
3	Drill 9-7/8" Deep Intermediate on Radius 52H
4	Skid to Depth 42H
5	Full BOP Test
6	Drill 9-7/8" Deep Intermediate on Depth 42H
7	Skid to Radius 51H
8	Full BOP Test
9	Drill 9-7/8" Deep Intermediate on Radius 51H
10	Skid to Depth 41H
11	Full BOP Test
12	Drill 9-7/8" Deep Intermediate and 6-3/4" Pilot on Depth 41H
13	Plugback Pilot Hole/Full BOP Test (if needed)
14	Sidetrack/Drill 6-3/4" Curve/Lateral on Depth 41H
15	Skid to Radius 51H
16	Full BOP Test
17	Drill 6-3/4" Curve/Lateral on Radius 51H
18	Skid to Depth 42H
19	Full BOP Test
20	Drill 6-3/4" Curve/Lateral on Depth 42H
21	Skid to Radius 52H
22	Full BOP Test
23	Drill 6-3/4" Curve/Lateral on Radius 52H
24	Rig Down on Radius 52H
	NOTE: No opportunity to Break Test per Variance Rules

Oxy USA Inc. - Depth CC 6_7 Federal Com 42H

Drill Plan

1. Geologic Formations

TVD of Target (ft):	10824	Pilot Hole Depth (ft):	
Total Measured Depth (ft):	21710	Deepest Expected Fresh Water (ft):	92

Delaware Basin

Formation	MD-RKB (ft)	TVD-RKB (ft)	Expected Fluids
Rustler	92	92	
Salado	532	532	Salt
Castile	1292	1292	Salt
Delaware	2750	2750	Oil/Gas/Brine
Bell Canyon	2798	2798	Oil/Gas/Brine
Cherry Canyon	3655	3655	Oil/Gas/Brine
Brushy Canyon	4895	4895	Losses
Bone Spring	6492	6474	Oil/Gas
Bone Spring 1st	7491	7458	Oil/Gas
Bone Spring 2nd	8264	8219	Oil/Gas
Bone Spring 3rd	9390	9328	Oil/Gas
Wolfcamp	9757	9692	Oil/Gas
Penn			Oil/Gas
Strawn			Oil/Gas

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

2. Casing Program

		MD		TVD					
Section	Hole Size (in)	From (ft)	To (ft)	From (ft)	To (ft)	Csg. OD (in)	Csg Wt. (ppf)	Grade	Conn.
Surface	14.75	0	472	0	472	10.75	45.5	J-55	BTC
Intermediate	9.875	0	10282	0	10215	7.625	26.4	L-80 HC	BTC
Production	6.75	0	10832	0	10570	5.5	26	P-110 CYHP	TORQ SFW
Production	6.75	10832	21710	10570	10824	5	21.4	P-110 CYHP	TORQ DQW

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

*Oxy requests the option to run the 7.625” Intermediate II as a contingency string to be run only if severe hole conditions dictate an additional casing string necessary.

*Oxy requests the option to run production casing with DQX, TORQ DQW and/or TORQ SFW connections to accommodate hole conditions or drilling operations.

All Casing SF Values will meet or exceed those below			
SF Collapse	SF Burst	Body SF Tension	Joint SF Tension
1.125	1.2	1.4	1.4

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM face-to-face 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.

	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 rd 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 nd 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?	

3. Cementing Program

Section	Stage	Slurry:	Capacities	ft^3/ft	Excess:	From	To	Sacks	Volume (ft^3)	Placement
Surface	1	Surface - Tail	OH x Csg	0.5563	100%	472	-	395	525	Circulate
Int.	1	Intermediate 1S - Tail	OH x Csg	0.2148	5%	10,282	5,145	702	1158	Circulate
Int.	2	Intermediate 2S - Tail BH	OH x Csg	0.2148	25%	5,145	472	653	1254	Bradenhead
Int.	2	Intermediate 2S - Tail BH	Csg x Csg	0.2338	0%	472	-	57	110	Bradenhead
Prod.	1	Production - Tail	OH x Csg2	0.2812	10%	21,710	10,832	2439	3365	Circulate
Prod.	1	Production - Tail	OH x Csg1	0.2526	10%	10,832	10,282	111	153	Circulate
Prod.	1	Production - Tail	Csg x Csg	0.0999	0%	10,282	9,782	36	50	Circulate

Description	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)	500psi Time (hh:mm)	Cmt. Class	Accelerator	Retarder	Dispersant	Salt
Surface - Tail	14.8	1.33	6.365	5:26	C	x			
Intermediate 1S - Tail	13.2	1.65	8.64	11:54	H	x	x	x	x
Intermediate 2S - Tail BH	12.9	1.92	10.41	23:10	C	x			
Production - Tail	13.2	1.38	6.686	3:39	H		x	x	x

Offline Cementing

Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).

Land casing.

Fill pipe with kill weight fluid, and confirm well is static.

If well Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).
2. Land casing.
3. Fill pipe with kill weight fluid, and confirm well is static.
 - a. If well is not static notify BLM and kill well.
 - b. Once well is static notify BLM with intent to proceed with nipple down and offline cementing.
4. Set and pressure test annular packoff.
5. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange. If any barrier fails to test, the BOP stack will not be nipped down until after the cement job is completed.
6. Skid rig to next well on pad.
7. Confirm well is static before removing cap flange.
8. If well is not static notify BLM and kill well prior to cementing or nipping up for further remediation.
9. Install offline cement tool.
10. Rig up cement equipment.
 - a. Notify BLM prior to cement job.
11. Perform cement job.
12. Confirm well is static and floats are holding after cement job.
13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

Oxy requests permission to adjust the CBL requirement after bradenhead cement jobs, on 7-5/8" intermediate casings, as per the agreement reached in the OXY/BLM meeting on September 5, 2019.

Three string wells:

- CBL will be required on one well per pad
- If the pumped volume of cement is less than permitted in the APD, BLM will be notified and a CBL may be run
- Echometer will be used after bradenhead cement job to determine TOC before pumping top-out cement

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type		✓	Tested to:	Deepest TVD Depth (ft) per Section:
9.875" Hole	13-5/8"	3M	Annular		✓	70% of working pressure	10215
		3M	Blind Ram		✓	250 psi / 3000 psi	
			Pipe Ram				
			Double Ram		✓		
			Other*				
6.75" Hole	13-5/8"	5M	Annular		✓	70% of working pressure	10824
		5M	Blind Ram		✓	250 psi / 5000 psi	
			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

	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?
	<p>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.</p> <p>See attached schematics.</p>	

BOP Break Testing Request

Oxy requests permission to adjust the BOP break testing requirements as per the agreement reached in the OXY/BLM meeting on September 5, 2019. A separate sundry will be sent prior to spud that reflects the pad based break testing plan.

BOP break test under the following conditions:

- After a full BOP test is conducted
- When skidding to drill an intermediate section where ICP is set into the third Bone Spring or shallower.
- When skidding to drill a production section that does not penetrate into the third Bone Spring or deeper.

If the kill line is broken prior to skid, two tests will be performed.

- 1) Wellhead flange, co-flex hose, kill line connections and upper pipe rams
- 2) Wellhead flange, HCR valve, check valve, upper pipe rams

If the kill line is not broken prior to skid, only one test will be performed.

5. Mud Program

Section	Depth - MD		Depth - TVD		Type	Weight (ppg)	Viscosity	Water Loss
	From (ft)	To (ft)	From (ft)	To (ft)				
Surface	0	472	0	472	Water-Based Mud	8.6 - 8.8	40-60	N/C
Intermediate	472	10282	472	10215	Saturated Brine-Based or Oil-Based Mud	8.0 - 10.0	35-45	N/C
Production	10282	21710	10215	10824	Water-Based or Oil-Based Mud	9.5 - 13	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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6. Logging and Testing Procedures

Logging, Coring and Testing.	
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

Additional logs planned		Interval
No	Resistivity	
No	Density	
No	CBL	
Yes	Mud log	Bone Spring – TD
No	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	7318 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	167°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

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

8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe. We plan to drill the 4 well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well.	Yes
Will more than one drilling rig be used for drilling operations? If yes, describe. 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.	Yes

Total Estimated Cuttings Volume: 1535 bbls

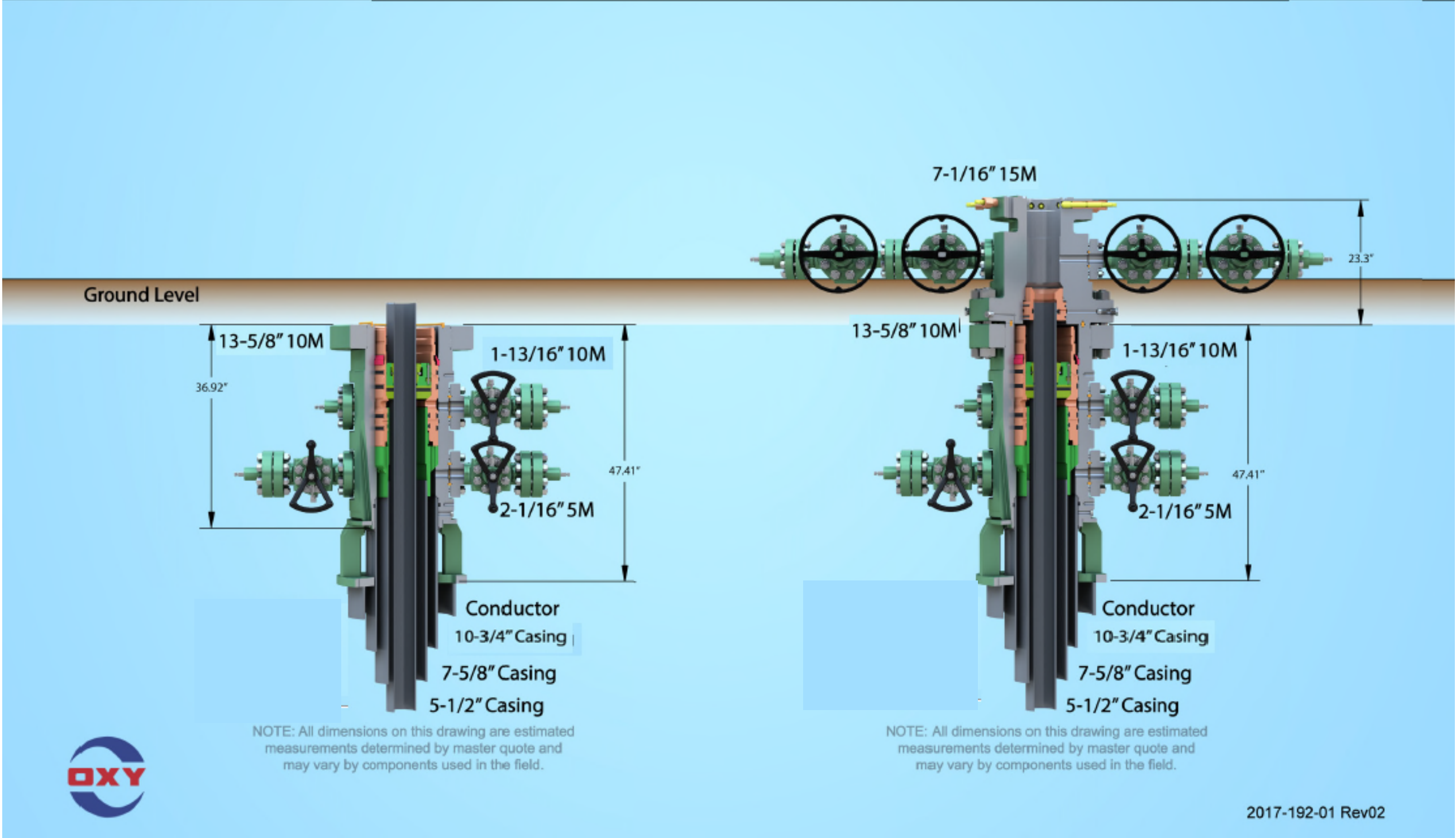
- Attachments
- ☒ Directional Plan
 - ☒ H2S Contingency Plan
 - ☒ Flex III Attachments
 - ☒ Spudder Rig Attachment

9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Garrett Granier	Drilling Engineer	713-513-6633	832-265-0581
William Turner	Drilling Engineer Supervisor	713-350-4951	661-817-4586
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
Diego Tellez	Drilling Manager	713-350-4602	713-303-4932



13-5/8" 10M MN-DS Wellhead System Slips



TUBULAR PARAMETERS

Nominal OD, (inch)	5.500
Wall Thickness, (inch)	0.476
Pipe Grade	P110 CYHP
Coupling	Regular
Coupling Grade	P110 CYHP
Drift	Standard

CONNECTION PARAMETERS

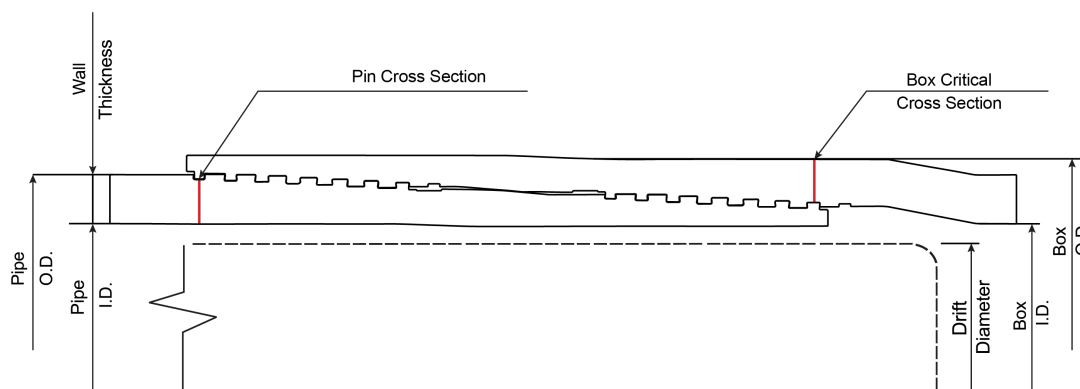
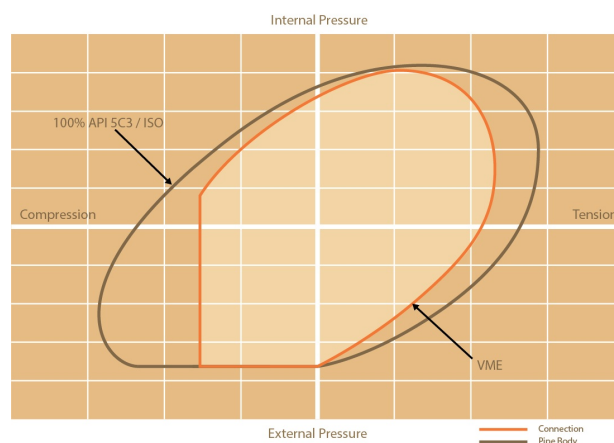
Connection OD (inch)	5.858
Connection ID, (inch)	4.504
Make-Up Loss, (inch)	5.660
Connection Critical Area, (sq inch)	6.906
Yield Strength in Tension, (klbs)	845
Yield Strength in Compression, (klbs)	845
Tension Efficiency	90%
Compression Efficiency	90%
Min. Internal Yield Pressure, (psi)	18 930
Collapse Pressure, (psi)	20 420
Uniaxial Bending (deg/100ft)	93.8

MAKE-UP TORQUES

Minimum Make-Up Torque, (ft-lb)	17 500
Optimum Make-Up Torque, (ft-lb)	25 000
Maximum Make-Up Torque, (ft-lb)	27 500
Operating Torque, (ft-lb)	39 000
Yield Torque, (ft-lb)	48 000

PIPE BODY PROPERTIES

PE Weight, (lbs/ft)	25.56
Nominal Weight, (lbs/ft)	26.00
Nominal ID, (inch)	4.548
Drift Diameter, (inch)	4.423
Nominal Pipe Body Area, (sq inch)	7.513
Yield Strength in Tension, (klbs)	939
Min. Internal Yield Pressure, (psi)	18 930
Collapse Pressure, (psi)	20 420
Minimum Yield Strength, (psi)	125 000
Minimum Tensile Strength, (psi)	135 000



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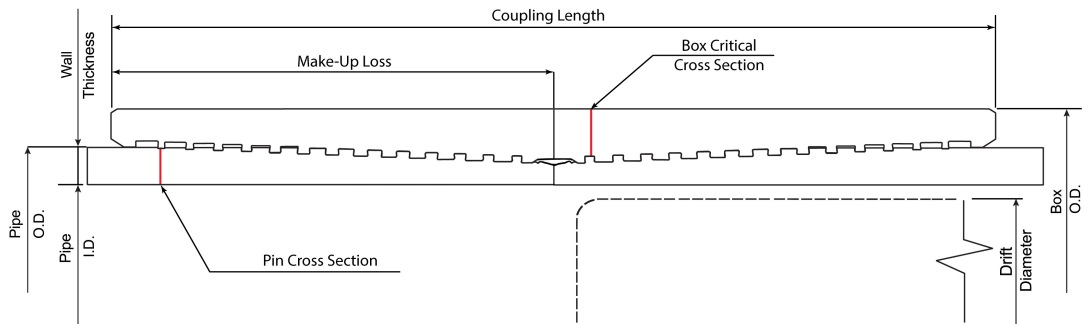
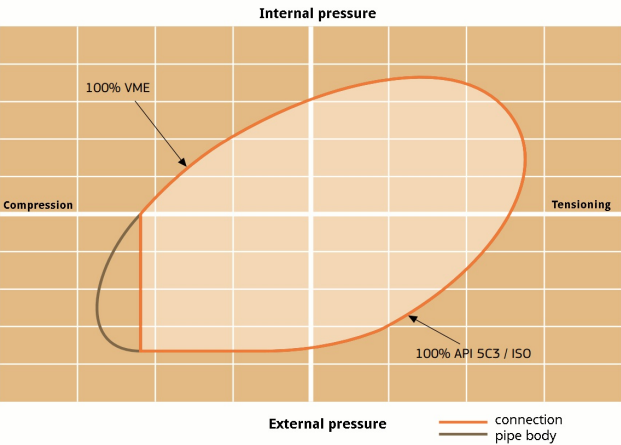
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TUBULAR PARAMETERS	
Nominal OD, (inch)	5.000
Wall Thickness, (inch)	0.437
Pipe Grade	P110 CYHP
Coupling	Regular
Coupling Grade	P110 CYHP
Drift	Standard

CONNECTION PARAMETERS	
Connection OD (inch)	5.800
Connection ID, (inch)	4.126
Make-Up Loss, (inch)	4.284
Connection Critical Area, (sq inch)	8.106
Yield Strength in Tension, (klbs)	783
Yeld Strength in Compression, (klbs)	783
Tension Efficiency	100%
Compression Efficiency	100%
Min. Internal Yield Pressure, (psi)	19 120
Collapse Pressure, (psi)	19 860
Uniaxial Bending (deg/100ft)	114.7

MAKE-UP TORQUES	
Minimum Make-Up Torque, (ft-lb)	13 000
Optimum Make-Up Torque, (ft-lb)	14 500
Maximum Make-Up Torque, (ft-lb)	16 000
Operating Torque, (ft-lb)	32 000
Yield Torque, (ft-lb)	40 000

PIPE BODY PROPERTIES	
PE Weight, (lbs/ft)	21.32
Nominal Weight, (lbs/ft)	21.40
Nominal ID, (inch)	4.126
Drift Diameter, (inch)	4.001
Nominal Pipe Body Area, (sq inch)	6.264
Yield Strength in Tension, (klbs)	783
Min. Internal Yield Pressure, (psi)	19 120
Collapse Pressure, (psi)	19 860
Minimum Yield Strength, (psi)	125 000
Minimum Tensile Strength, (psi)	135 000



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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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COMMENTS

Action 54334

COMMENTS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 54334
	Action Type: [C-103] NOI Change of Plans (C-103A)

COMMENTS

Created By	Comment	Comment Date
jagarcia	Approved, John Garcia, Petroleum Engineer	10/28/2021

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jagarcia	None	10/28/2021