

Well Name: CAL-MON 35 FEDERAL	Well Location: T23S / R31E / SEC 35 / NWNE / 32.2673303 / -103.7480017	County or Parish/State: EDDY / NM
Well Number: 174H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM19199	Unit or CA Name:	Unit or CA Number:
US Well Number: 300154552300S1	Well Status: Producing Oil Well	Operator: OXY USA INCORPORATED

Notice of Intent

Sundry ID: 2673130

Type of Submission: Notice of Intent	Type of Action: Workover Operations
Date Sundry Submitted: 05/24/2022	Time Sundry Submitted: 12:42
Date proposed operation will begin: 05/17/2022	

Procedure Description: OXY USA Inc. respectfully request approval on the subject well to perform the following heel frac workover operations: There is a rig currently on this well. • MIRU PU, 10K BOP and 5K annular BOP. • Hot Water Tubing. • Pull Packer, GL Mandrels and DHG. • PU 5-1/2” scraper and run to 11,955’ • PU 3-3/4" bit and 4-1/2” scraper. Run to 12,010’. • PU 5 1/2” 10K RBP and 10K packer. RIH and set RBP at 11,365’ and set Packer at 11,345’. • Pressure test casing to 8,000 psi for 30 mins. Record test. • ND 10K BOP and annular and rig floor. • RDMO PU and handover well to completion team. • MIRU Frac Crew. Add 2 new stages in the heel section, 11703'-11989'. • Install Conventional Gas lift and return well to production.

Surface Disturbance

Is any additional surface disturbance proposed?: No

Received by OCD: 5/27/2022 11:58:51 AM

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Conditions of Approval

Specialist Review

Workover_or_Vertical_Deepen_COA_20220527110946.pdf

Operator

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

Operator Electronic Signature: LESLIE REEVES	Signed on: MAY 24, 2022 12:42 PM
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 Name:		
Street Address:		
City:	State:	Zip:
Phone:		
Email address:		

BLM Point of Contact

BLM POC Name: ZOTA M STEVENS	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5752345998	BLM POC Email Address: ZSTEVENS@BLM.GOV
Disposition: Approved	Disposition Date: 05/27/2022
Signature: Zota Stevens	

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-45523	13367	COTTON DRAW; BONE SPRING
Property Code	Property Name	Well Number
314855	CAL-MON "35" FEDERAL	174H
OGRID No.	Operator Name	Elevation
16696	OXY USA INC.	3463.8'

Surface Location

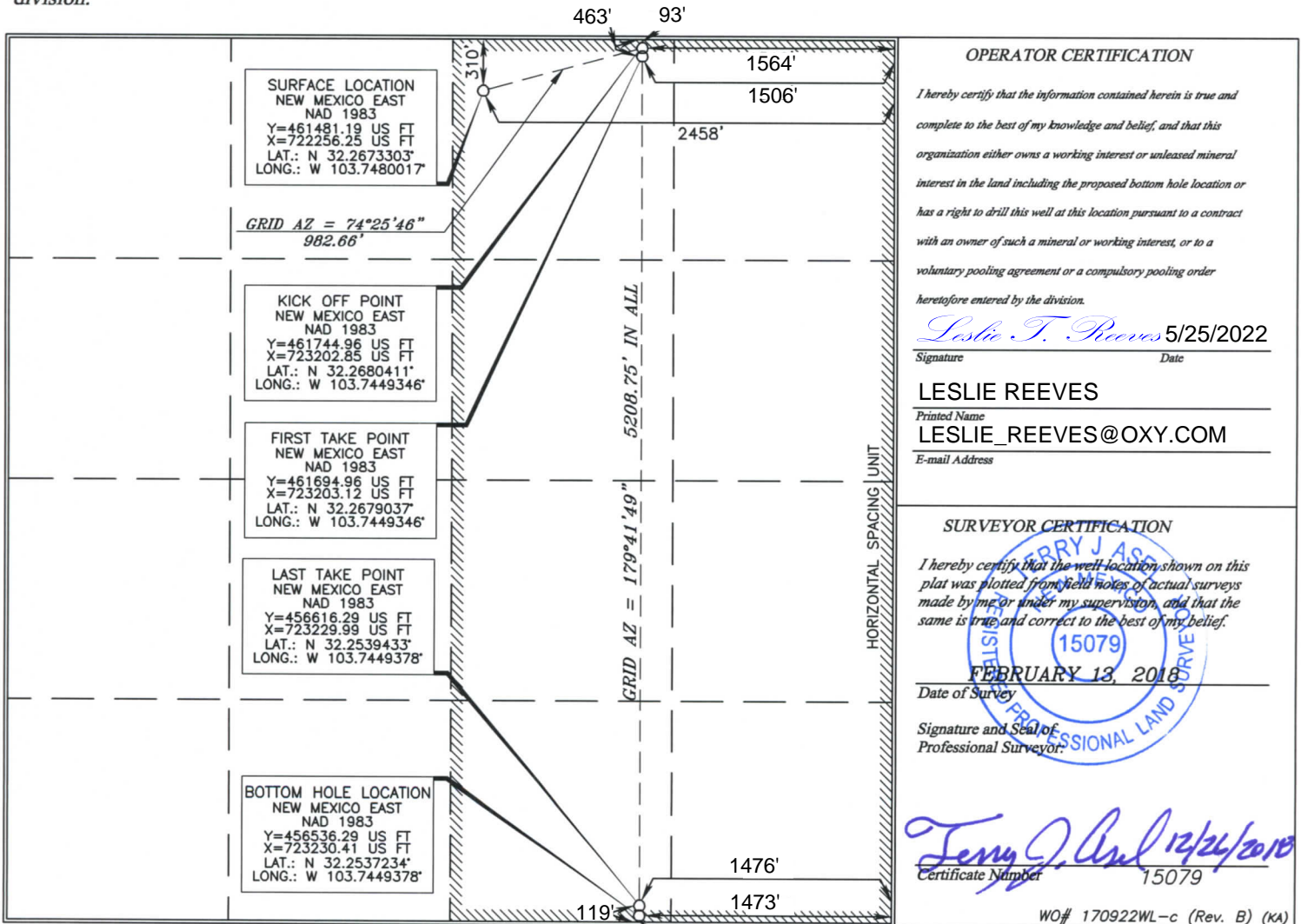
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	23 SOUTH	31 EAST, N.M.P.M.		310'	NORTH	2458'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	35	23 SOUTH	31 EAST, N.M.P.M.		27'	SOUTH	1473'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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☒ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
30-015-45523		98236	WC-015 G-08 S233135D; WOLFCAMP
Property Code	Property Name		Well Number
314855	CAL-MON "35" FEDERAL		174H
OGRID No.	Operator Name		Elevation
16696	OXY USA INC.		3463.8'

Surface Location

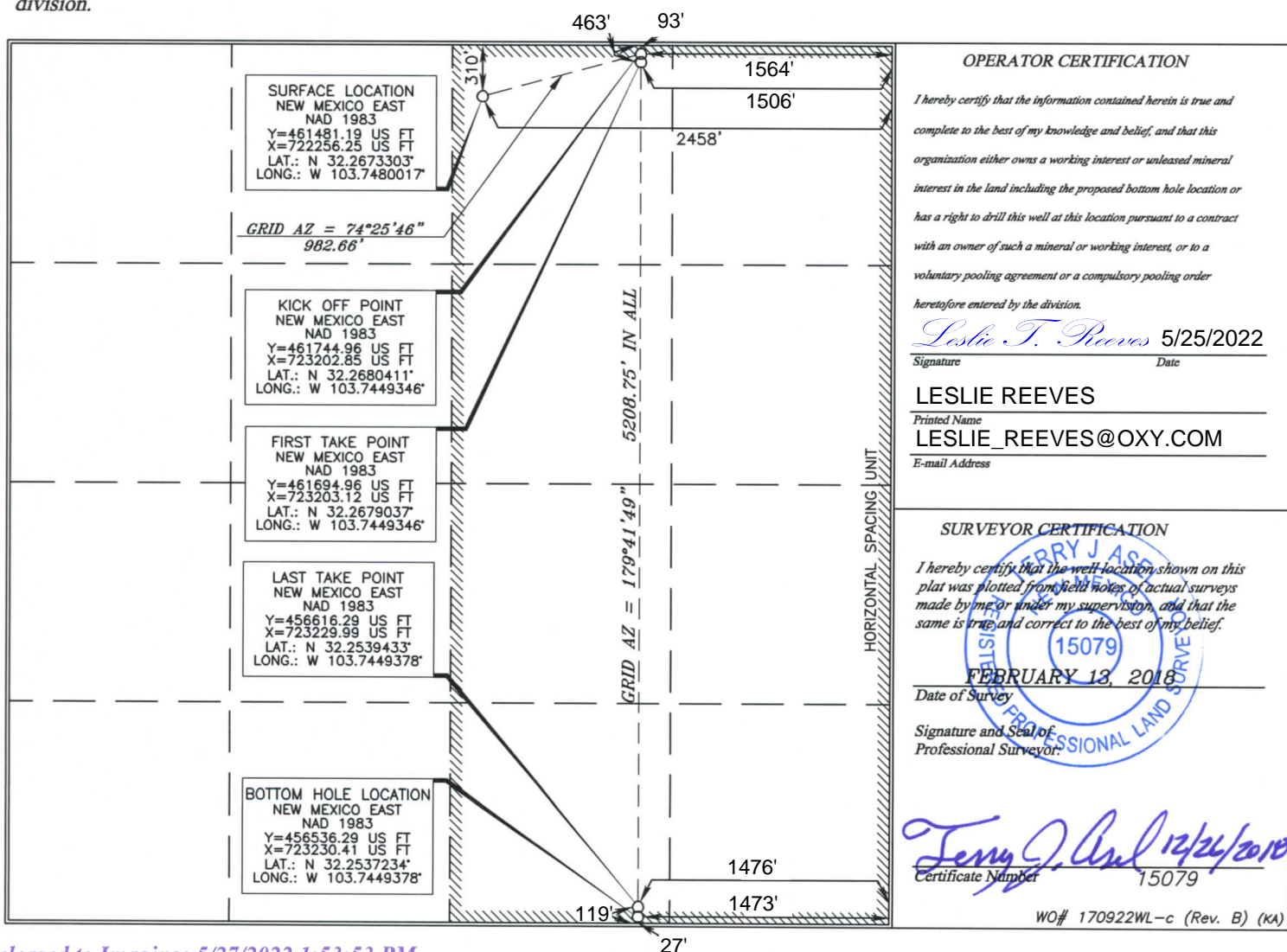
<i>UL or lot no.</i>	<i>Section</i>	<i>Township</i>	<i>Range</i>	<i>Lot Idn</i>	<i>Feet from the</i>	<i>North/South line</i>	<i>Feet from the</i>	<i>East/West line</i>	<i>County</i>
<i>B</i>	<i>35</i>	<i>23 SOUTH</i>	<i>31 EAST, N.M.P.M.</i>		<i>310'</i>	<i>NORTH</i>	<i>2458'</i>	<i>EAST</i>	<i>EDDY</i>

Bottom Hole Location If Different From Surface

<i>UL or lot no.</i>	<i>Section</i>	<i>Township</i>	<i>Range</i>	<i>Lot Idn</i>	<i>Feet from the</i>	<i>North/South line</i>	<i>Feet from the</i>	<i>East/West line</i>	<i>County</i>
<i>0</i>	<i>35</i>	<i>23 SOUTH</i>	<i>31 EAST, N.M.P.M.</i>		<i>27'</i>	<i>SOUTH</i>	<i>1473'</i>	<i>EAST</i>	<i>EDDY</i>

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: OXY USA INC. **OGRID:** 16696 **Date:** 0 5/ 2 7/ 2 2

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Cal Mon 35 Federal #174H	30-015-45523	B-35-23S-31E	310'FNL 2458'FEL	276	828	552
Cal Mon 35 Federal #176H	30-015-45525	B-35-23S-31E	110'FNL580'FEL	205	602	513

IV. Central Delivery Point Name: Cal Mon 35-2 CTB (Central Tank Battery) [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Cal Mon 35 Federal #174H	30-015-45523	01/06/2019	03/02/2019	~5/28/2022 - Heel Frac	6/1/2022	6/1 - 6/3/2022
Cal Mon 35 Federal #176H	30-015-45525	12/30/2018	02/12/2019	~5/28/2022 - Heel Frac	6/1/2022	6/1 - 6/3/2022

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

Page 8

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: <i>Leslie T. Reeves</i>
Printed Name: LESLIE REEVES
Title: REGULATORY ADVISOR
E-mail Address: LESLIE_REEVES@OXY.COM
Date: 5-27-2022
Phone: 713-497-2492
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

Part VI. Separation Equipment

The current separator was sized for the initial completion to handle more than the expected peak rates for the additional perforations during the heel frac job on these wells. Each separator is rated to 1440psig, and pressure control valves and automated communication will cause the wells to shut in in the event of an upset at the facility, therefore no gas will be flared on pad during an upset. Current Oxy practices avoid use of flare or venting on pad, therefore if there is an upset or emergency condition at the facility, the wells will immediately shut down, and reassume production once the condition has cleared.

VII. Operational Practices

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise's Processing Plant located in Sec. 36, Twn. 24S, Rng. 30E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Enterprise system at that time. Based on current information, it is OXY's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

VIII. Best Management Practices

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

Power Generation – On lease

- o Only a portion of gas is consumed operating the generator, remainder of gas will be flared

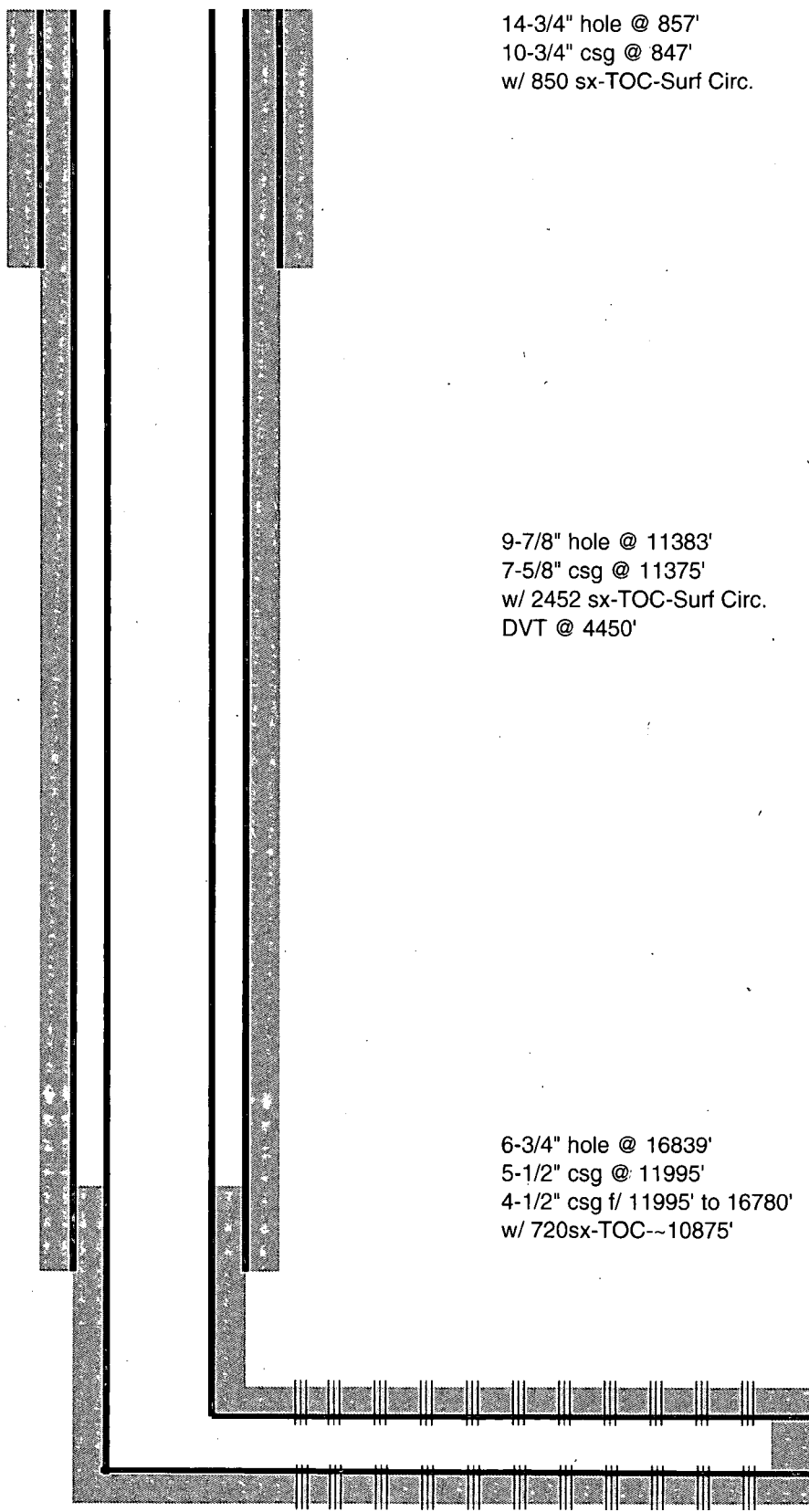
Compressed Natural Gas – On lease

- o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines

NGL Removal – On lease

- o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

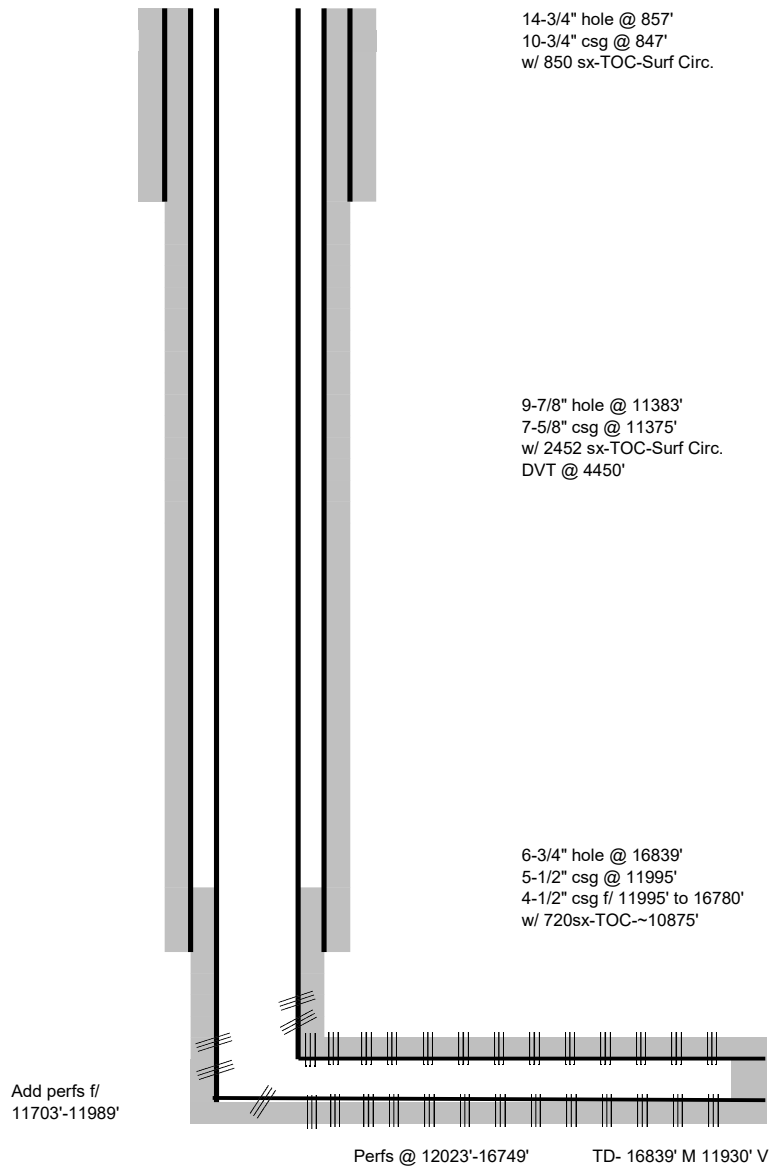
OXY USA INC
Cal-Mon 35 Federal 174H
API No. 30-015-45523



Perfs @ 12023'-16749'

TD- 16839' M 11930' V

OXY USA INC
Cal-Mon 35 Federal 174H
API No. 30-015-45523
Proposed



BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval for Workover/Deepening of a Well

1. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612
2. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,100 feet, a 3M system for a well not deeper than 13,600 feet, or a 5M system for a well not deeper than 22,700 feet (all depths are for measured well depth).
3. Cement: Notify BLM if cement fails to circulate.
4. Subsequent Reporting: Within 30 days after work is completed, file a Subsequent Report (Form 3160-5) to BLM. The report should give in detail the manner in which the work was carried out. Show date work was completed. If producing a new zone, submit a Completion Report (Form 3160-4) with the Subsequent Report.
5. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.
6. If well location is within the Timing Limitation Stipulation Area for Lesser Prairie-Chicken: From March 1st through June 15th annually, activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted.

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

CONDITIONS

Action 111582

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 111582
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
kpickford	DHC required	5/27/2022
kpickford	Will require administrative order for non-standard spacing unit	5/27/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	5/27/2022