Office		State of New Me			Form C-103
<u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 882		Minerals and Natu	WELL API NO.	Revised July 18, 2013	
<u>District II</u> – (575) 748-1283	OIL CO	NSERVATION	DIVISION	30-025-44193	
811 S. First St., Artesia, NM 88210 District III – (505) 334-6178		20 South St. Fra		5. Indicate Type of I	
1000 Rio Brazos Rd., Aztec, NM 874	410	Santa Fe, NM 8'		STATE	FEE
<u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NN 87505		Santa Pe, INNI 8	1505	6. State Oil & Gas L	ease No.
SUNDRY	NOTICES AND REP			7. Lease Name or U	nit Agreement Name
(DO NOT USE THIS FORM FOR P DIFFERENT RESERVOIR. USE "4 PROPOSALS.)					31 STATE COM
1. Type of Well: Oil Well [Gas Well	Other		8. Well Number #C)14H
2. Name of Operator DXY USA INC				9. OGRID Number 16696	
3. Address of Operator				10. Pool name or W	ildcat
P.O. BOX 4294 HOUS	TON, TX 77210			[51687] RED TANK;	BONE SPRING, EAST
4. Well Location					
Unit Letter A		from the NORTH	line and <u>71</u>		
Section 30			ange 33E		County LEA
	11. Elevation	(Show whether DR	, RKB, RT, GR, etc	.)	
12. Ch	eck Appropriate B	ox to Indicate N	lature of Notice	, Report or Other Da	ata
NOTICE O	F INTENTION T	O:	SUF	SEQUENT REPO	ORT OF:
PERFORM REMEDIAL WOR			REMEDIAL WOR	· · ·	
TEMPORARILY ABANDON	CHANGE PLA		COMMENCE DF		AND A
PULL OR ALTER CASING			CASING/CEMEN		_
DOWNHOLE COMMINGLE		_		_	
CLOSED-LOOP SYSTEM					
OTHER:	CLGC		OTHER:		
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NOI GENDERAL SUNDRY C-103X- CLGC PLACED IN SERVICE

WELL RED TANK 30 31 STATE COM #014H

API 30-025-44193

DETAILS

- THIS WELL IS PERMITTED AS CLGC STORAGE WELL.
- IT IS ASSOCIATED WITH CASE 23427 AND ORDER R-22101-A.
- A CBL IS ON RECORD WITH THE DIVISION AND CONFIRMS THE CEMENT COVERAGE IS ADEQUATE. A CBL WAS SUBMITTED TO THE OCD IN TIF FORMAT ON 3/25/2025.
- A SUCCESSFUL MIT HAS BEEN CONDUCTED ON THE WELL. THE PASSING MIT MEETING ALL STIPULATIONS INCLUDED IN THE ORDER WAS SUBMITTED AS A C-103Z ON 3/20/2025 AS AID# 444106.
- EQUIPMENT IS INSTALLED TO LIMIT THE INJECTION PRESSURE TO LESS THAN OR EQUAL TO THE MASP.
- EQUIPMENT IS INSTALLED TO MONITOR THE CASING ANNULUS PRESSURE AND INJECTION RATE.

Red Tank 30 31 State Com #14H

30-025-44193

Production TOC Review Report by Oxy Drilling Engineer

Summary of Findings

The follow analysis was put together for the Red Tank 30 31 State Com #14H, 30-025-44193. The focus was on determining the top of cement (TOC) of the production casing cement job based on three data sources: VDL from the CBL, Amplitude from the CBL, and the operational notes of the job. The findings were:

- 1. Calculations and full returns through production cement job indicate cement slurry to a minimum depth of 2662'.
- 2. VDL distortions at 2750'-2800'.
- 3. No significant drop in amplitude.

Detailed notes regarding the production cement job and VDL analysis can be found in the later sections of this report.

Based on the findings, we have strong confidence the TOC is above the intermediate casing shoe depth at a depth between 2662' to 2800' or higher.

Production Cement Job

The image below is the field summary of the 5.5'' production cement. The job was conducted on 12/1/2018.

			LD TAINK SU	-ST STATE	COM 014H - OI		LEWENCET	CPATINE DILLO	.: HOLP 0.	112			
<u>View Tools Help</u>						1							
) 📋 🛄 🎝 🕗 🗆 Rep	ort Cor	nplete 🧇	≣ <u>6</u> , Q _A	- Wei (1997)	00	Dec 1,	2018 - 28	~ 🗳	Datum	HP657 26.5'KE	8 @3,689.00ft (above Mean Sea Level) 🗸 Unit Oxy API - Survey Feet (USFT) 🗸	1 🕐 🗆	Single Secti
Nav Aid	Time Summary												
Wellbore Schematic	Activ	ity Details											
Today's Reports			-										
	33			нÖт	(0 NPT/Failures)	Activity Grou	p Filter: All		~				
🔀 General		from	То	Hrs (hr)	Op Stage	Op Phase	Op Code	Op Sub	Ор Туре	Op Details Template	Op Details	Op Top MD (ft)	Op Btm M (ft)
Time Summary		00:00	04:00	4.00	DRILL 🗸	31PRRC 🗸	СМТ 🗸	PRIM 🗸	Р 🗸	~	Cement 5.5" production casing Mixed and pumped 130Bbls (207 sacks) of 9 ppg 3.561 yield 15.16 gal/sk water Lead cement followed with 528 bbls (1805 sxs)	19,687	19,6
Wellbore Fluid Properties											13.2 ppg 1.645 yield 8.52 gal/sk water Pumped at 5 BPM w/ final press 400 psi		
Fluid Management											Dropped plug and displaced cement as follows:		
Mud Products Inventory											433 Bbls of 10 ppg brine		
Bulks Inventory											Displaced at 5 BPM w/ 460 psi		
Daily Cost	1										Bumped plug at 04:00 960psi 500 psi over circulating pressure of 460 psi Bled back 3 bbls check float equip holding ok		
2 Personnel													
											Note: Full returns thru cement job and displacement		
Pump Operations											Rotate casing during cement job 30 rpms torque 20k. Rotate casing 5 min after bumped plug then slowly work torque out of casing		
Shaker Operations											recieved 160 bbl 9 ppg brine back to surface		
Drillstrings											Safety break : Working around high pressure lines		
Air Drilling												<u> </u>	
Hole Sections	2		05:00		DRILL 🗸	31PRRC 🗸			P ~		Rig down cement lines from rig floor flush thru BOPS and choke line	19,687	19,0
🜠 LOT / FIT		05:00	06:00	1.00	DRILL 🗸	31PRRC 🗸	WLHD 🗸	RWH 🗸	P 🗸		Install 5.5" casing slips with 220k on same. Test top of slips to 500 psi for 5 minutes.	19,687	19,
Directional Surveys	3										Good test		

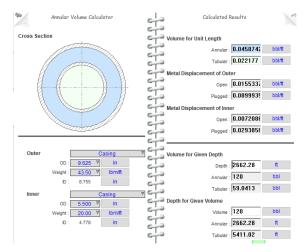
Highlighted are key observations regarding TOC estimation.

The full fluid sequence included:

- 230 bbls of 9 ppg spacer
- 50 bbls of 9 ppg spacer
- 130 bbls 9 ppg lead cement
- 528 bbls 13.2 ppg tail cement

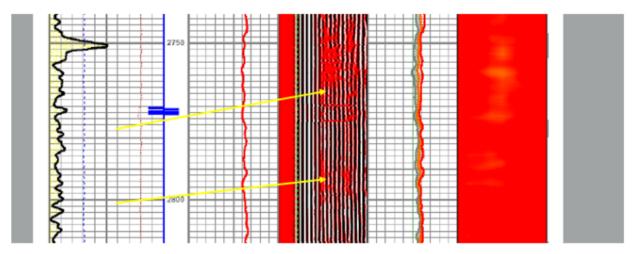
Known capacity within the intermediate and production annular (9 5/8" 43.5# x 5.5" 20# = 0.045 bbl/ft)

TOC is directly calculated by deduction that 70 bbls of brine $(230_{Pumped} - 160_{Returned} = 70) + 50$ bbls spacer = 120 bbls above that of TOC @ ± 2662'.



VDL Distortions

VDL Distortions are seen at the depths below and indicated by the yellow arrows. These were identified between 2750 ft - 2800 ft.



Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Operator:	OGRID:
OXY USA INC	16696
P.O. Box 4294	Action Number:
Houston, TX 772104294	449307
	Action Type:
	[C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Operator may place the well into service to receive injection in accordance with Order R-22101-A.	4/15/2025

CONDITIONS

Page 6 of 6

Action 449307