Received by UCD: 0/6/2025 6:40:45 AM U.S. Department of the Interior BUREAU OF LAND MANAGEMENT		Sundry Print Report 06/06/2025
Well Name: CEDAR CANYON 23 FEDERAL	Well Location: T24S / R29E / SEC 22 / SENE / 32.206393 / -103.963894	County or Parish/State: EDDY / NM
Well Number: 4H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM81586	Unit or CA Name:	Unit or CA Number:
US Well Number: 3001543281	Operator: OXY USA INCORPORATED	

Notice of Intent

Sundry ID: 2856399

Type of Submission: Notice of Intent

Date Sundry Submitted: 06/05/2025

Date proposed operation will begin: 06/09/2025

Type of Action: Workover Operations

Time Sundry Submitted: 09:49

Procedure Description: OXY PROPOSES TO PULL THE EQUIPMENT AND INSTALL A NEW INJECTION ASSEMBLY IN THE WELL. THE CURRENT WELLBORE, PROPOSED WELLBORE, AND PROCEDURE ARE ATTACHED. THIS WELL IS ASSOCIATED WITH INJECTION ORDER R-21356 AND IS ATTACHED. OXY WILL COMPLY WITH ALL THE ORDER REQUIREMENTS INCLUDING THE PACKER SETTING DEPTH, MIT AND BHT, AND MAXIMUM SURFACE INJECTION PRESSURE.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

CC_23_4H_INJ_EQUIPMENT_NOI_6.5.2025_20250605094830.pdf

Well Name: CEDAR CANYON 23 FEDERAL	Well Location: T24S / R29E / SEC 22 / SENE / 32.206393 / -103.963894	County or Parish/State: EDDY?
Well Number: 4H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM81586	Unit or CA Name:	Unit or CA Number:
US Well Number: 3001543281	Operator: OXY USA INCORPORATED	
Conditions of Approv	val	
becialist Review		
Workover_or_Vertical_Deepen_COA	A_20250605153202.pdf	
Operator I certify that the foregoing is true and crime for any person knowingly and w	correct. Title 18 U.S.C. Section 1001 and Title villfully to make to any department or agency ations as to any matter within its jurisdiction. I	of the United States any false, fictitio
Operator I certify that the foregoing is true and crime for any person knowingly and w	villfully to make to any department or agency a ations as to any matter within its jurisdiction. I regulations requiring a	of the United States any false, fictitio
Operator I certify that the foregoing is true and or crime for any person knowingly and w or fraudulent statements or representa Notices through this system satisfies of Operator Electronic Signature: STE	villfully to make to any department or agency a ations as to any matter within its jurisdiction. I regulations requiring a	of the United States any false, fictitio Electronic submission of Sundry
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Operator I certify that the foregoing is true and crime for any person knowingly and word or fraudulent statements or representations of the system satisfies	villfully to make to any department or agency of ations as to any matter within its jurisdiction. I regulations requiring a EPHEN JANACEK Sig Suite 110 State: TX	of the United States any false, fictitio Electronic submission of Sundry gned on: JUN 05, 2025 09:49 AM

BLM Point of Contact

Email address:

BLM POC Name: JONATHON W SHEPARD BLM POC Phone: 5752345972 Disposition: Approved Signature: Jonathon Shepard BLM POC Title: Petroleum Engineer BLM POC Email Address: jshepard@blm.gov

Disposition Date: 06/05/2025

Received by OCD: 6/6/2025 6:40:45 AM

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Form 3160-5 (June 2019)		UNITED STATE PARTMENT OF THE I EAU OF LAND MAN	NTERIOR	O	DRM APPROVED MB No. 1004-0137 ires: October 31, 2021
	not use this i		DRTS ON WELLS to drill or to re-enter an PD) for such proposals.	6. If Indian, Allottee or Tribe N	lame
	SUBMIT IN	TRIPLICATE - Other instru	uctions on page 2	7. If Unit of CA/Agreement, N	ame and/or No.
1. Type of Well	Vell 🗌 Gas V	Vell Other		8. Well Name and No.	
2. Name of Operator				9. API Well No.	
3a. Address			3b. Phone No. (include area code)	10. Field and Pool or Explorate	ory Area
4. Location of Well	Footage, Sec., T., P	R.,M., or Survey Description))	11. Country or Parish, State	
	12. CHE	CK THE APPROPRIATE B	OX(ES) TO INDICATE NATURE (OF NOTICE, REPORT OR OTH	ER DATA
TYPE OF SU	BMISSION		TYPI	E OF ACTION	
Notice of Inte	ent	Acidize	Deepen Hydraulic Fracturing	Production (Start/Resume) Reclamation	Water Shut-Off
Subsequent R	eport	Casing Repair Change Plans	New Construction	Recomplete Temporarily Abandon	Other
Final Abando	nment Notice	Convert to Injection		Water Disposal	
the proposal is to the Bond under completion of th	o deepen directiona which the work will e involved operation Abandonment No	Illy or recomplete horizontal be perfonned or provide thors. If the operation results in	ly, give subsurface locations and me e Bond No. on file with BLM/BIA. n a multiple completion or recomple	easured and true vertical depths o Required subsequent reports mus- ction in a new interval, a Form 31	rk and approximate duration thereof. If f all pertinent markers and zones. Attach st be filed within 30 days following 60-4 must be filed once testing has been he operator has detennined that the site

14. I hereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i>)			
1	Fitle		
Signature I	Date		
THE SPACE FOR FEDE	RAL OR STATE OF	ICE USE	
Approved by			
	Title	Date	
Conditions of approval, if any, are attached. Approval of this notice does not warrant of 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.			
Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any any false, fictitious or fraudulent statements or representations as to any matter within		fully to make to any department or agency of the United Sta	ites

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

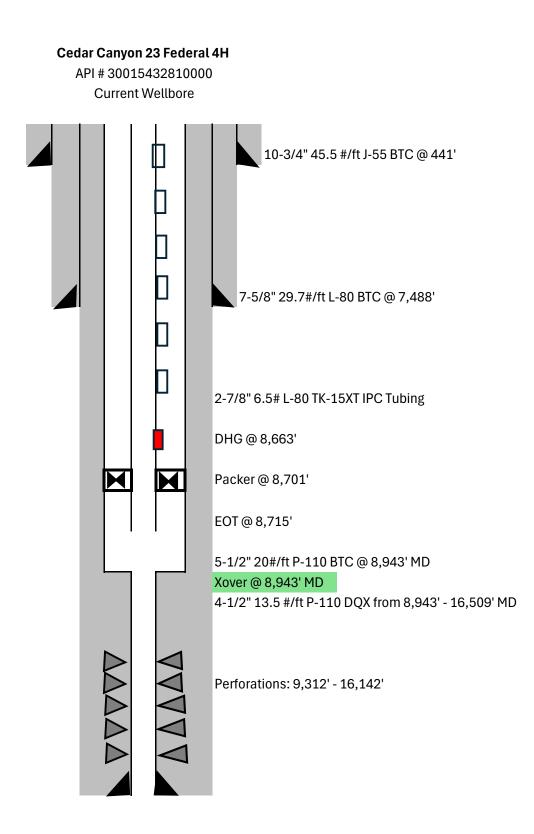
The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

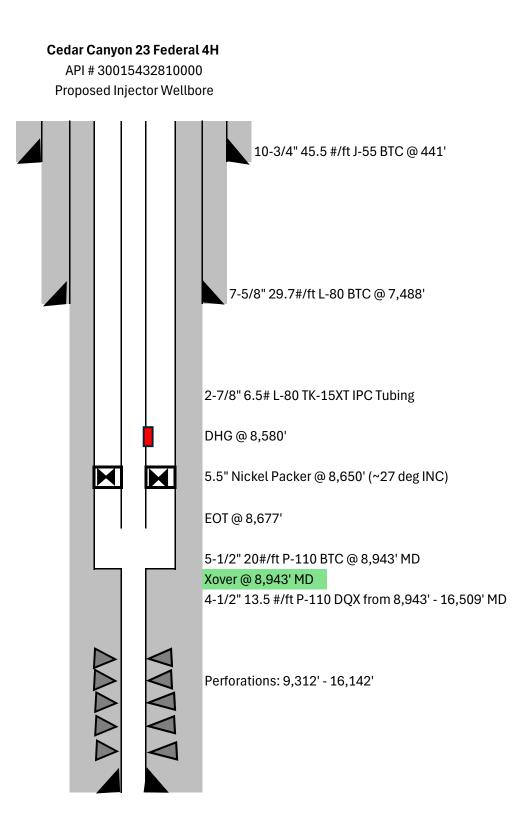
BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SENE / 1352 FNL / 195 FEL / TWSP: 24S / RANGE: 29E / SECTION: 22 / LAT: 32.206393 / LONG: -103.963894 (TVD: 0 feet, MD: 0 feet) PPP: SWNW / 1415 FNL / 500 FEL / TWSP: 24S / RANGE: 29E / SECTION: 23 / LAT: 0.0 / LONG: 0.0 (TVD: 0 feet, MD: 0 feet) BHL: SENW / 1393 FNL / 2439 FWL / TWSP: 24S / RANGE: 29E / SECTION: 24 / LAT: 32.206217 / LONG: -103.938198 (TVD: 8980 feet, MD: 16607 feet)





General Job Procedure

1 MIRU

- 2 Unseat hanger and attempt to release from on/off tool
- 3 POOH w/ current gas lift installation and DHG
- 4 RBIH w/ WS & on/off to latch onto stinger/packer and release. POOH w/ packer/BHA.
- 5 RU WL/SL and make GR run in 5.5" production casing to 4.5" liner top @ 8,943'
- 6 If necessary make bit and scrapper run
- 7 RU WL & set packer @ 8,650'
- 8 RIH w/ on/off tool, ICP tubing & DHG to just above packer
- 9 Circulate packer fluid around the backside to surface
- 10 Latch on/off tool onto stinger/packer
- 11 NU & pressure test prod tree
- 12 RU WL/SL & RIH w/ chisel to break dual disks

13 RD WL

14 Perfrom MIT & Bradenhead tests

15 TOTP

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF OXY USA, INC. FOR APPROVAL OF A PRESSURE MAINTENANCE PROJECT, EDDY COUNTY, NEW MEXICO.

CASE NO. 20193 ORDER NO. R-21356

ORDER OF THE DIVISION

This case came in for hearing before the Oil Conservation Division ("OCD") at 8:15 a.m. on January 11, 2019, in Santa Fe, New Mexico.

The OCD Director, having considered the testimony, the record, the recommendations of Hearing Examiner Phillip R. Goetze, these findings of fact, and conclusions of law issues this Order.

FINDINGS OF FACT

(1) Due notice has been given, and the OCD has jurisdiction of the subject matter of this case.

(2) By this application, OXY USA, Inc. ("Applicant" or "OXY") seeks approval of a pressure maintenance project in the 2nd Bone Spring formation, Pierce Crossing; Bone Spring, East pool (Pool code 96473), within the following 480 acres, more or less, within Eddy County, New Mexico:

Township 24 South, Range 29 East, NMPM N/2 Section 23 and NW/4 of Section 24

(3) Applicant proposes to inject produced gas, produced water and produced CO2 into the existing Cedar Canyon 23 Federal 4H well to benefit the Cedar Canyon 23 Federal 3H and the Cedar Canyon 23 Federal 5H at a true vertical depth interval from approximately 8850 feet to approximately 9050 feet below the surface, through the following horizontal well:

Cedar Canyon 23 Federal No. 4H (API No. 30-015-43281) with a surface location of 1415 feet from the North line and 155 feet from the East line (Unit letter H) of Section 22, Township 24 South, Range 29 East, NMPM, and a terminus of 1393 feet from the North line and 2439 feet from the West line (Unit letter F) of Section 24, Township 24 South, Range 29 East, NMPM.

(4) EOG Resources appeared through counsel at the hearing but did not oppose the application. No other party appeared at the hearing or otherwise opposed the application.

Case No. 20193 Order No. R-21356 Page 2 of 6

(5) Applicant appeared through counsel and presented engineering testimony and exhibits to the effect that:

- (a) In this area of Eddy County, the 2nd Bone Spring sand is a productive interval within the Bone Spring formation and is well delineated and characterized.
- (b) The Cedar Canyon 23 Federal No. 4H (the "proposed injection well") is a horizontal well in the Bone Spring formation that was producing from the 2nd Bone Spring sand.
- (c) Applicant has designed a pressure maintenance project limited to Sections N/2 Section 23 and NW/4 of Section 24 utilizing the proposed injection well to benefit these two existing horizontal oil wells, the Cedar Canyon 23 Federal No. 3H (API No. 30-015-43290), and the Cedar Canyon 23 Federal No. 5H (API No. 30-015-43282).
- (d) Applicant will utilize produced water for injection as a component of pressure maintenance in conjunction with the produced gas injection to mitigate early offset breakthrough at low injection pressures.
- (e) Applicant will utilize the proposed injection well with existing perforations and well construction. Applicant additionally stated that the proposed injection well will not be stimulated prior to the beginning of the pilot project.
- (f) Applicant provided analyses of the produced water and produced gas along with testimony demonstrating compatibility with well components and the reservoir conditions.
- (g) Applicant has proposed maximum surface injection pressures for each injection fluid: 1770 pounds per square inch (psi) for produced water, 4350 psi for produced gas and 2300 psi for carbon dioxide. Applicant submitted pressure analyses in support of the proposed maximum surface injection pressures.
- (h) Applicant has proposed the placement of the packers below the kick-off point but significantly above the first perforations located in the horizontal portion of the production casing. Applicant requested an exception for the 100-foot packer setting depth requirement applied to vertical injection wells.
- (i) Applicant has requested that unlined tubing be allowed for use in the injection operation of produced gas and CO2 and lined tubing when injecting water. Applicant stated that the unlined tubing would be preferable due to the increased use of wireline equipment in the proposed injection well, and the lack of significantly corrosive fluids being used for injection.
- (j) Applicant established a modified area of review (AOR) using the horizontal segment of each well (as defined by the surface location, the first take point, and the terminus) as the center line for the one-half mile radius, the AOR being defined as the area within one-

Case No. 20193 Order No. R-21356 Page 3 of 6

half mile of any point on the horizontal well lateral. Not only did they look at the injection interval they analyzed any part of the wellbore penetrating the Bone Spring formation. All wells in the two AORs, both producing and the plugged well, are properly cemented.

- (k) Applicant found no fresh water wells within one mile of the proposed injection wells. The database of the New Mexico Office of the State Engineer identified two wells within one mile of the proposed injection wells, but both wells are shallow disposal wells associated with the Interstate Stream Commission's River Desalination Project.
- (1) Applicant has provided proper notice to affected persons including the surface land owner. Applicant has also published notice of the pilot project in Carlsbad Current-Argus, a newspaper with general circulation in the county where the project is located.

CONCLUSIONS OF LAW

(6) All of the wells (active and plugged) in the one-half mile modified AOR surrounding the proposed injection well appear to be adequately cased and cemented, so that none will become a conduit for the escape of injected fluid or gas from the permitted injection formation. Accordingly, there is no requirement for remedial work on any wells within the modified AOR for each of the injection wells.

(7) Applicant should be authorized to inject fluids at a surface injection pressure not to exceed 1770 pounds per square inch (psi) for produced water, 4350 psi for produced gas and 2300 psi for carbon dioxide. Applicant may apply to the OCD for a higher injection pressure upon satisfactorily demonstrating that an increase in injection pressure will not result in fracturing of the injection formation or confining strata.

(8) The proposed project will, in reasonable probability, result in production of substantially more hydrocarbons from the project area that would otherwise be produced therefrom, will prevent waste, and will not impair correlative rights.

(9) Accordingly, the application should be approved.

<u>ORDER</u>

(1) OXY USA, Inc. ("OXY" or "operator") is hereby authorized to inject produced water and produced gas into the Bone Spring formation [Pierce Crossing; Bone Spring, East pool (Pool code: 96473)], at a true vertical depth interval from approximately 8850 feet to approximately 9002 feet below the surface, through one of its horizontal wells located within the Cedar Canyon Federal 23 Lease.

Case No. 20193 Order No. R-21356 Page 4 of 6

(2) This project is hereby designated the Cedar Canyon Pressure Maintenance Pilot Project and shall consist of the Bone Spring formation underlying the following lands in Eddy County, New Mexico:

Township 24 South, Range 29 East, NMPM N/2 Section 23 and NW/4 of Section 24

(3) OXY USA, Inc. (OGRID 16696) is designated operator of the project.

(4) The existing horizontal well (the "injection well") is approved for injection:

(a) Cedar Canyon 23 Federal No. 4H (API No. 30-015-43281) with a surface location of 1415 feet from the North line and 155 feet from the East line (Unit letter H) of Section 22, Township 24 South, Range 29 East, NMPM, and a terminus of 1393 feet from the North line and 2439 feet from the West line (Unit letter F) of Section 24, Township 24 South, Range 29 East, NMPM.

(5) The operator shall take all steps necessary to ensure that the injected fluid enters only the injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(6) The injection wells shall use the existing construction with injection occurring through perforations currently in place.

(7) Water from outside the operator's Cedar Canyon Treating Facility shall not be injected into these wells. The operator shall utilize its Cedar Canyon Central Delivery Point for the source of the produced gas to be used in the injection phases of the pilot project.

(8) Injection shall be accomplished through tubing installed in a packer set in the production casing so as to provide a proper seal while being as close as practical to the uppermost injection perforations. The limit for the upper placement of the packer in the production casing shall be no greater than 100 feet above the true vertical depth of the kick-off point for the individual well.

(9) The injection wells shall be initially equipped with a pressure control device or acceptable substitute that will limit the maximum surface injection pressure to no more than 1770 pounds per square inch (psi) for produced water, 4350 psi for produced gas and 2300 psi for carbon dioxide.

(10) The casing-tubing annulus shall be filled with an inert fluid, and a gauge or approved leak-detection device shall be attached to the annulus in order to detect leakage in the casing, tubing or packer.

(11) The injection wells shall pass a mechanical integrity test prior to initial commencement of injection and prior to resumption of injection each time the packer is

Case No. 20193 Order No. R-21356 Page 5 of 6

unseated. All testing procedures and schedules shall conform to the requirements of Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths.

(12) The injection wells shall be monitored with a SCADA system and the operator shall ensure that additional sensor systems for each injection well, as proposed in the C-108 application, are installed and monitored.

(13) The Division Director shall have the authority to administratively authorize an increase in injection pressure upon a showing by the operator that such higher pressure will not result in fracturing of the injection formation or confining strata. The operator shall give at least 72 hours advance notice to the supervisor of the OCD's District II office of the date and time (i) injection equipment will be installed, and (ii) the mechanical integrity pressure test will be conducted, so these operations may be witnessed.

(14) The operator shall provide written notice of the date of commencement of injection into each of the wells to the OCD's South District office.

(15) The operator shall immediately notify the supervisor of the OCD's District II office of the failure of the tubing, casing or packer in either injection well, or the leakage of water, oil, gas or other fluid from or around any producing or abandoned well within one-half mile of either injection well, and shall take all steps as may be timely and necessary to correct such failure or leakage.

(16) The Project shall be governed by OCD Rules 19.15.26.8 through 19.15.26.15 NMAC. The operator shall submit monthly reports of the injection operations on OCD Form C-115, in accordance with Rules 19.15.26.13 and 19.15.7.28 NMAC.

(17) The injection authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations; provided, however, the OCD, upon written request by the operator filed prior to the expiration of the two-year time period, may grant an extension for good cause.

(18) The operator shall provide written notice to the OCD upon permanent cessation of injection into the Project.

(19) This Order does not relieve the operator of responsibility should its operations cause any actual damage or threat of damage to protectable fresh water, human health or the environment; nor does it relieve the operator of responsibility for complying with applicable OCD rules or other state, federal or local laws or regulations.

(20) Upon failure of the operator to conduct operations (1) in such manner as will protect fresh water or (2) in a manner consistent with the requirements in this Order, the OCD may, after notice and hearing (or without notice and hearing in event of an emergency, subject to the provisions of NMSA 1978 Section 70-2-23), terminate the injection authority granted herein.

Case No. 20193 Order No. R-21356 Page 6 of 6

(21) Jurisdiction of this case is retained for the entry of such further orders as the OCD may deem necessary.

DONE at Santa Fe, New Mexico, on this 4th day of June, 2020.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

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

- <u>Notification</u>: 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 575-689-5981
- <u>Blowout Preventers</u>: 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.
- 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. <u>Trash</u>: 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.
- 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.

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

С	ONE	DITIC	DNS

Operator:	OGRID:
OXY USA INC	16696
P.O. Box 4294	Action Number:
Houston, TX 772104294	471439
	Action Type:
	[C-103] NOI Workover (C-103G)

(CONDITIONS		
	Created By	Condition	Condition Date
	mgebremichael	Please ensure to comply with all stipulations in Order R-21356, including packer setting and tube sizing, and injection pressures. Additionally, the well is still listed as an active oil well; please update it to an active injector.	6/9/2025

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CONDITIONS

Action 471439