Carlsbad Field Office
OCD Artesia

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM88139

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
CORRAL FLY 35-26 FEDERAL COM 22H

2. Name of Operator
OXY USA INCORPORATED
Contact: DAVID STEWART
E-Mail: david_stewart@oxy.com

9. API Well No.
30-015-44703-00-X1

3a. Address
5 GREENWAY PLAZA SUITE 110
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)
Ph: 432.685.5717

10. Field and Pool or Exploratory Area
PIERCE CROSSING-BONE SPRING, E

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 2 T25S R29E 694FNL 1278FWL
32.164627 N Lat, 103.959564 W Lon

11. County or Parish, State
EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

OXY USA Inc. respectfully requests to amend the APD for the following wells. The five wells will have a similar design. The specific details (i.e. depths, cement volumes, etc) attached are for the 22H.

RECEIVED

Corral Fly 35-26 Federal Com #22H - 30-015-44703 - NMNM88139
Corral Fly 35-26 Federal Com #23H - 30-015-44704 - NMNM88139
Corral Fly 35-26 Federal Com #24H - 30-015-44705 - NMNM88139
Corral Fly 35-26 Federal Com #25H - 30-015-44683 - NMNM88139
Corral Fly 35-26 Federal Com #26H - 30-015-44684 - NMNM88139

MAY 07 2018

1. Amend the surface, intermediate, and production casings size, type, and depth, see attached

DISTRICT II-ARTESIA O.C.D.

Existing COAs Apply

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #410526 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 04/06/2018 (18PP1450SE)

Name *(Printed/Typed)* DAVID STEWART — Title REGULATORY ADVISOR

Signature (Electronic Submission) — Date 04/05/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Chris Wells — Title LPE — Date 5/1/18

Conditions of approval, if any, are attached. Approval of this notice does not warrant or 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.

Office CFO

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

RWP 5-8-18

Additional data for EC transaction #410526 that would not fit on the form

32. Additional remarks, continued

2. Amend the surface, intermediate and production casing cementing program,see attached.

3. Amend the pressure control equipment due to casing size changes, see attached.

4. Amend the mud program, depth and type, see attached.

As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018.

OXY respectfully requests a variance 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.

OXY respectfully requests a variance to allow BOP Break Testing under the following conditions:
1. After a full BOP test is conducted on the first well on the pad.
2. When skidding to drill an intermediate section that does not penetrate into the Wolfcamp.
3. Full BOP test will be required prior to drilling any production hole.

	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?
	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. See attached schematics.

BOP Break Testing Request

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions:

1. Only after a full BOP is conducted to the first well on the pad.
2. Only when skidding from an intermediate to another intermediate section. Exception will be an intermediate followed by a production hole. In that case a full BOP test will be conducted.
3. Only applicable for intermediates that do not penetrate into the Wolfcamp.

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	412	Water-Based Mud	8.4-8.6	40-60	N/C
412	3209	WBM or OBM	9.2 - 10	35-45	N/C
3209	8,291	WBM or OBM	8.8-9.6	38-50	N/C
8,291	19,338	OBM	8.8-9.6	35-50	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

Total estimated cuttings volume: 1326.0 bbls.

OXY USA Inc. - Corral Fly 35-26 Federal Com #22H, 23H, 24H, 25H, 26H – Amended Drilling Plan

This is a bulk sundry request for 5 wells total, 2 wells on the same pad (22H, 23H – H&P 636) and 3 wells on a separate pad (24H, 25H, 26H - H&P 635). The wells related to this sundry request are:

API Number	Well Name	Rig
30-015-44703	Corral Fly 35-26 Federal Com 22H	H&P 636
30-015-44704	Corral Fly 35-26 Federal Com 23H	H&P 636
30-015-44705	Corral Fly 35-26 Federal Com 24H	H&P 635
30-015-44683	Corral Fly 35-26 Federal Com 25H	H&P 635
30-015-44684	Corral Fly 35-26 Federal Com 26H	H&P 635

All five wells will have a similar design. The specific details (i.e. depths, cement volumes, etc…) below are for the 22H. The 23H flanks the 22H on the pad and will have slightly deeper intermediate and production casing points. The 24H, 25H, and 26H will be on a separate pad (due east of the 23H) and will have similar casing points.

2. Casing Program

Hole Size	Casing Interval		Csg. Size (in)	Weight (lbs/ft)	Grade	Conn.	Safety Factor			
	From (ft)	To (ft)					Collapse	Burst	Body Tension	Joint Tension
14.75	0	412	10.75	45.5	J-55	BTC	> 1.125	> 1.2	> 1.4	> 1.4
9.875	0	8,291	7.625	26.4	L-80	BTC	> 1.125	> 1.2	> 1.4	> 1.4
6.75	0	19,338	5.5	20	P-110	DQX	> 1.125	> 1.2	> 1.4	> 1.4
							Designs will meet or exceed			

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

*OXY requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage we will drop a cancelation cone and not pump the second stage.

OXY would like to request a variance for annular clearance around production tubular couplings in the open hole interval comprised of the curve and lateral portions of the well. The production string clearance inside the intermediate string meets the requirements for >0.422in clearance as shown in the table below. The clearances for the production string are as follows:

Description	Csg/Hole ID	Coupl. OD	Clearance
DQX Coupling in 7-5/8" Casing	6.969	6.05	0.4595
DQX Coupling in 6.75in OH	6.75	6.05	0.35

3. Cementing Program

Casing	Slurry	#Sks	Wt. (Lb/gal)	Yld ft3/sack	H20 gal/sk	500# Comp. Strength	Slurry Description
Surface	Surface already set by spudder rig						
1st Stage Intermediate	Lead	418	10.2	2.58	11.568	6:59	Pozzolan Cement, Retarder
	Tail	160	13.2	1.61	7.804	7:11	Class H Cement, Retarder, Dispersant, Salt
DV/ECP Tool @ 3209ft							
2nd Stage Intermediate	Tail	954	13.6	1.67	8.765	7:32	Class C Cement, Accelerator, Dispersant
Production Casing	Tail	805	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top of Lead (ft)	Bottom of Lead (ft)	Top of Tail (ft)	Bottom of Tail (ft)	% Excess Lead	% Excess Tail
Surface	N/A	N/A	0	412	N/A	100%
1st Stage Intermediate Casing	3109	7291	7291	8291	20%	20%
2nd Stage Intermediate Casing	N/A	N/A	0	3209	N/A	150%
Production Casing	N/A	N/A	7791	19338	N/A	15%

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size	Min. Required WP	Type		Tested to:
9.875" Hole	13-5/8"	5M	Annular	x	70 % of working Pressure
			Blind Ram	x	250/5000 psi
			Pipe Ram		
			Double Ram	x	
			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.

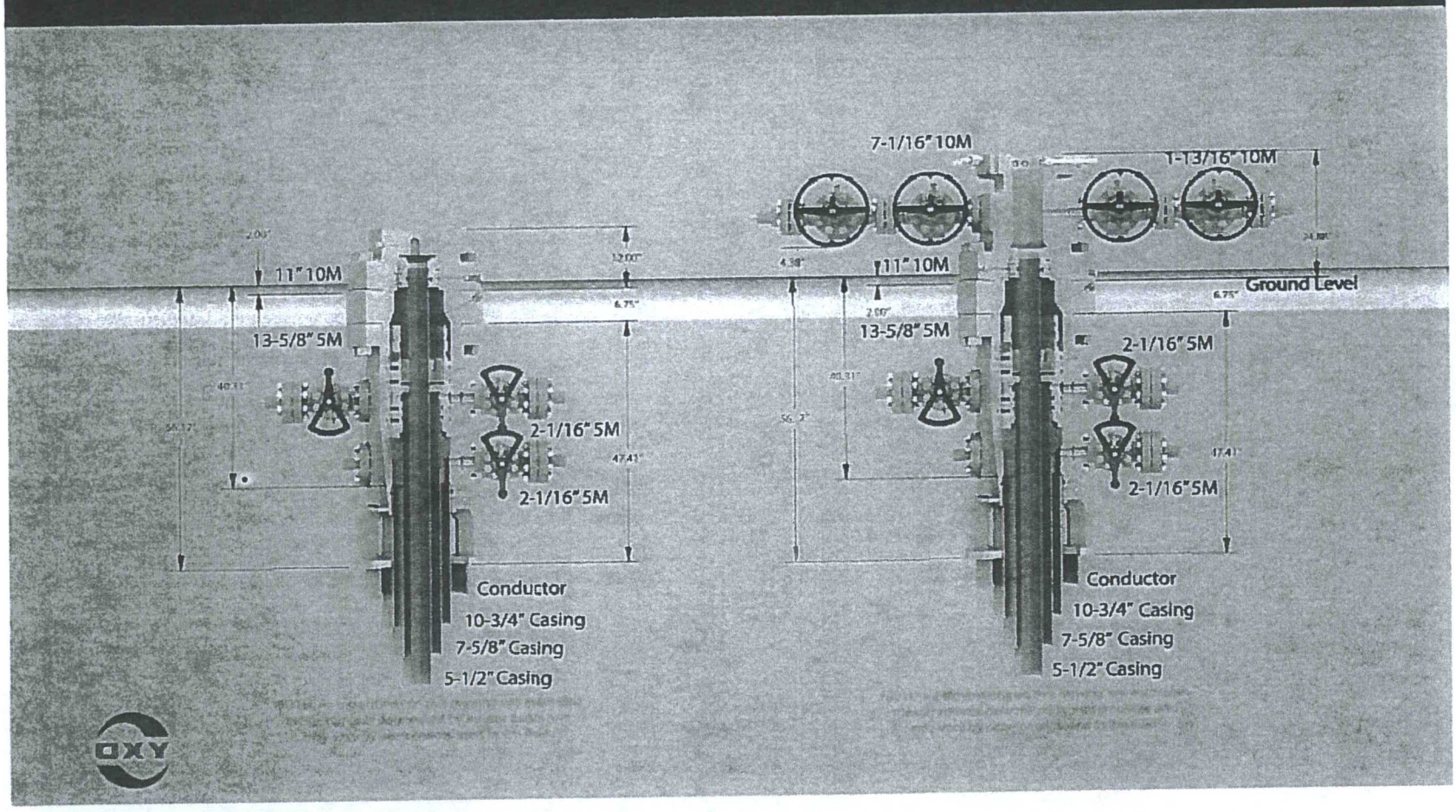
Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

CAMERON

A Schlumberger Company

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

Slips



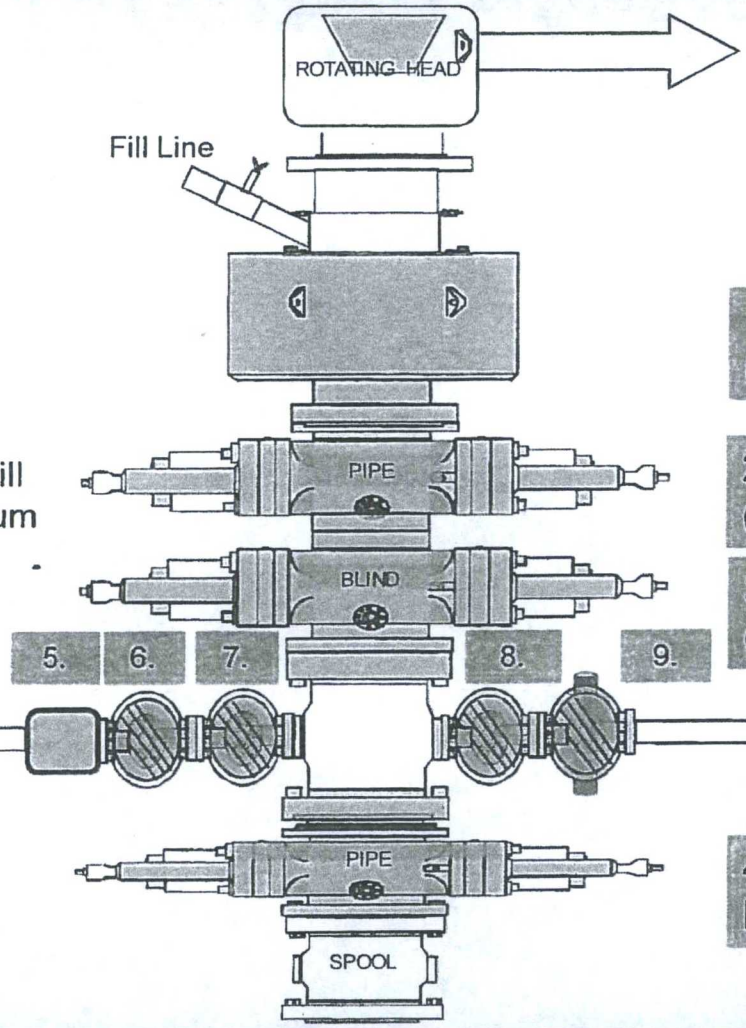
OXY

5M BOP Stack

Mud Cross Valves:

5. 5M Check Valve
6. Outside 5M Kill Line Valve
7. Inside 5M Kill Line
8. Outside 5M Kill Line Valve
9. 5M HCR Valve

*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side



To Kill Line

To Co-Flex and Choke Manifold

1. 5000 psi Annular (13-5/8" ID)
2. 5,000 psi Upper Pipe Ram (13-5/8" ID)
3. 5,000 psi Blind Ram (13-5/8" ID)
4. 5,000 psi Lower Pipe Ram (13-5/8" ID)