Copy To Appropriate District

District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO. 30-015- 44590
5. Indicate Type of Lease STATE ☑ FEE ☐
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: Corral Fly 02-01 State
1. Type of Well: Oil Well ☐ Gas Well ☑ Other
8. Well Number 36H
2. Name of Operator: OXY USA Inc.
9. OGRID Number: 16696
3. Address of Operator: P.O. Box 50250 Midland, TX 79710
10. Pool name or Wildcat: Purple Sage Wolfcamp
4. Well Location
Unit Letter M : 1205 feet from the South line and 240 feet from the west line
Section 2 Township 25S Range 29E NMPM County Eddy
11. Elevation (*Show whether DR, RKB, RT, GR, etc.*) 3034'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☑	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER: Amend Drilling Permit	☑			OTHER:	☐		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

OXY USA Inc. respectfully requests to amend the APD with the following changes.

1. Amend the surface, intermediate and production casings size, type, and depth and add the annular clearance request, see attached.

2. Amend the cementing program,see attached.

3. Amend BOP program and add BOP Break Testing request, see attached.

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

RECEIVED
JUL 11 2018
DISTRICT II-ARTESIA O.C.D.

Spud Date: | Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE Sr. Regulatory Advisor DATE 7/5/18

Type or print name David Stewart E-mail address: david_stewart@oxy.com PHONE: 432-685-5717

For State Use Only

APPROVED BY: Raymond Phillips TITLE Geologist DATE 7-12-18.
Conditions of Approval (if any):

OXY USA Inc. respectfully requests the following changes in the casing design, cement design, BOP, and mud program design.

2. Casing Program

Hole Size	Casing Interval		Csg. Size	Weight	Grade	Conn.	Safety Factor			
	From (ft)	To (ft)	(in)	(lbs/ft)			Collapse	Burst	Body Tension	Joint Tension
14.75	0	400	10.75	45.5	J-55	BTC	> 1.125	> 1.2	> 1.4	> 1.4
9.875	0	9,721	7.625	26.4	L-80	BTC	> 1.125	> 1.2	> 1.4	> 1.4
6.75	0	20,422	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	641	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 @ 3320ft							
2nd Stage Intermediate	Tail	992	13.6	1.67	8.765	7:32	Class C Cement, Accelerator, Dispersant
Production Casing	Tail	813	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	400	N/A	100%
1st Stage Intermediate Casing	3220	8721	8721	9721	40%	20%
2nd Stage Intermediate Casing	N/A	N/A	0	3320	N/A	150%
Production Casing	N/A	N/A	9221	20422	N/A	20%

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"	10M	Annular	x	70 % of working Pressure
			Blind Ram	x	250/10,000 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.

	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.