Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia
NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 31 2019
RECEIVED

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. NMNM89172

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.
Multiple--See Attached

2. Name of Operator
OXY USA INCORPORATED
Contact: SARAH CHAPMAN
E-Mail: SARAH_CHAPMAN@OXY.COM

9. API Well No.
Multiple--See Attached

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

3b. Phone No. (include area code)
Ph: 713-350-4997

10. Field and Pool or Exploratory Area
PURPLE SAGE-WOLFCAMP (GAS)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Multiple--See Attached

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 respectfully requests approval for the following changes from the approved permit:

This is a bulk sundry request for 3 wells in Sand Dunes to modify the casing and cementing program.
The wells related to this bulk sundry are as follows:

Sunrise MDP1 8-5 Fed Com 171H (30-015-44930)
Sunrise MDP1 8-5 Fed Com 172H (30-015-44977)
Sunrise MDP1 8-5 Fed Com 173H (30-015-44931)

Please see attached updated Drill Plan and connection specs for your review.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Accepted For Record
NMOCD
2-4-19

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

Electronic Submission #450783 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by MUSTAFA HAQUE on 01/18/2019 (19MH0015SE)

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

Signature (Electronic Submission) — Date 01/16/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By MUSTAFA HAQUE — Title PETROLEUM ENGINEER — Date 01/23/2019

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 Carlsbad

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 ****

RW 2-19-19

Additional data for EC transaction #450783 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM89172	NMNM89172	SUNRISE MDP1 8-5 FEDERAL COM 171H		Sec 17 T24S R31E NENW 194FNL 1544FWL 32.224060 N Lat, 103.803398 W Lon
NMNM89172	NMNM89172	SUNRISE MDP1 8-5 FEDERAL COM 172H	30-015-44977-00-X1	Sec 17 T24S R31E NENW 194FNL 1579FWL 32.224060 N Lat, 103.803284 W Lon
NMNM89172	NMNM89172	SUNRISE MDP1 8-5 FEDERAL COM 173H		Sec 17 T24S R31E NENW 194FNL 1614FWL 32.224060 N Lat, 103.803169 W Lon

Oxy USA Inc. – Sunrise MDP1 8-5 Federal Com 171H-173H
Bulk Sundry

This is a bulk sundry request for 3 wells in the Sand Dunes area. The wells related to this sundry request are:

API#	Well Name	Lease Serial #
30-015-44930	Sunrise MDP1 8-5 Fed Com 171H	NMNM089172
30-015-44977	Sunrise MDP1 8-5 Fed Com 172H	NMNM089172
30-015-44931	Sunrise MDP1 8-5 Fed Com 173H	NMNM089172

1. Casing Program

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	Buoyant Body SF Tension	Buoyant Joint SF Tension
	From (ft)	To (ft)								
14.75	0	686	10.75	40.5	J-55	BTC	1.125	1.2	1.4	1.4
9.875	0	10984	7.625	26.4	L-80 HC	BTC	1.125	1.2	1.4	1.4
6.75	0	21797	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
							SF Values will meet or Exceed			

Oxy requests the option to run DQX or SF-Torque connections for the 5.5" 20# P-110 production casing string.

2. Cementing Program

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	561	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate 1st Stage (Lead)	564	10.2	2.58	11.568	6:59	Pozzolan Cement, Retarder
Intermediate 1st Stage (Tail)	154	13.2	1.61	7.804	7:11	Class H Cement, Retarder, Dispersant, Salt
DV/ECP Tool @ 4444 (We request the option to cancel the second stage if cement is circulated to surface during the first stage of cement						
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	628	13.6	1.67	8.765	7:32	Class C Cement, Accelerator, Retarder
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Production (Tail)	830	13.2	1.38	6.686	3:39	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	686	100%
Intermediate 1st Stage (Lead)	4344	9984	20%
Intermediate 1st Stage (Tail)	9984	10984	10%
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	0	4444	10%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	10484	21797	20%

Attachments

_x__ Premium Connection Specs

PERFORMANCE DATA

TMK UP DQX **5.500 in** **20.00 lbs/ft** **P-110**
Technical Data Sheet

Tubular Parameters

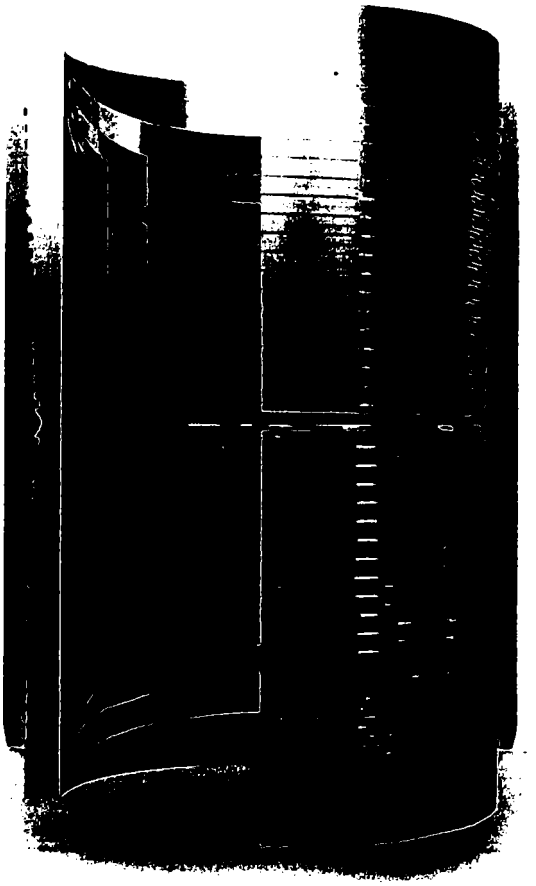
Size	5.500	in	Minimum Yield	110,000	psi
Nominal Weight	20.00	lbs/ft	Minimum Tensile	125,000	psi
Grade	P-110		Yield Load	641,000	lbs
PE Weight	19.81	lbs/ft	Tensile Load	729,000	lbs
Wall Thickness	0.361	in	Min. Internal Yield Pressure	12,600	psi
Nominal ID	4.778	in	Collapse Pressure	11,100	psi
Drift Diameter	4.653	in			
Nom. Pipe Body Area	5.828	in²			

Connection Parameters

Connection OD	6.050	in
Connection ID	4.778	in
Make-Up Loss	4.122	in
Critical Section Area	5.828	in²
Tension Efficiency	100.0	%
Compression Efficiency	100.0	%
Yield Load In Tension	641,000	lbs
Min. Internal Yield Pressure	12,600	psi
Collapse Pressure	11,100	psi

Make-Up Torques

Min. Make-Up Torque	11,600	ft-lbs
Opt. Make-Up Torque	12,900	ft-lbs
Max. Make-Up Torque	14,100	ft-lbs
Yield Torque	20,600	ft-lbs



Printed on: July-29-2014

IPSCO

PERFORMANCE DATA

TMK UP SF TORQ™ **5.500 in** **20.00 lbs/ft** **P110 HC**

Technical Data Sheet

Tubular Parameters

Size	5.500	in	Minimum Yield	110,000	psi
Nominal Weight	20.00	lbs/ft	Minimum Tensile	125,000	psi
Grade	P110 HC		Yield Load	641,000	lbs
PE Weight	19.81	lbs/ft	Tensile Load	728,000	lbs
Wall Thickness	0.361	in	Min. Internal Yield Pressure	12,640	psi
Nominal ID	4.778	in	Collapse Pressure	12,780	psi
Drift Diameter	4.653	in			
Nom. Pipe Body Area	5.828	in²			

Connection Parameters

Connection OD	5.777	in
Connection ID	4.734	in
Make-Up Loss	5.823	in
Critical Section Area	5.875	in²
Tension Efficiency	90.0	%
Compression Efficiency	90.0	%
Yield Load In Tension	576,000	lbs
Min. Internal Yield Pressure	12,640	psi
Collapse Pressure	12,780	psi
Uniaxial Bending	83	°/ 100 ft

Make-Up Torques

Min. Make-Up Torque	15,700	ft-lbs
Opt. Make-Up Torque	19,600	ft-lbs
Max. Make-Up Torque	21,600	ft-lbs
Operating Torque	29,000	ft-lbs
Yield Torque	36,000	ft-lbs

Printed on: February-22-2018

IPSCO

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA Incorporated
LEASE NO.:	NMNM89172
WELL NAME & NO.:	Sunrise MDP1 8-5 Federal Com 171H
SURFACE HOLE FOOTAGE:	194'/N & 1544'/W
BOTTOM HOLE FOOTAGE	190'/N & 440'/W
LOCATION:	Section 17, T.24 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico

Potash	○ None	◉ Secretary	○ R-111-P
Cave/Karst Potential	◉ Low	○ Medium	○ High
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	
Other	☐4 String Area	☐Capitan Reef	☐WIPP

All previous COAs still apply, except for the following:

A. CASING

1. The **10 3/4** inch surface casing shall be set at approximately **686** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
    b. Wait on cement (WOC) time for a primary cement job will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
    d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **7 5/8** inch intermediate casing is:

    Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

b. Second stage above DV tool:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.**

3. The minimum required fill of cement behind the **5 1/2** inch production casing is:

- Cement should tie-back at least **500** feet into previous casing string. Operator shall provide method of verification.

MHH 01232019

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ Chaves and Roosevelt Counties
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 627-0272.
After office hours call (575)

☒ Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

6. 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. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.