

UNITED STATES **NM OIL CONSERVATION**
DEPARTMENT OF THE INTERIOR **ARTESIA DISTRICT**
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.*5. Lease Serial No.
NMNM81586

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
CEDAR CANYON 23 FEDERAL 4H9. API Well No.
30-015-43281-00-X110. Field and Pool, or Exploratory
PIERCE CROSSING11. County or Parish, and State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

OXY USA INCORPORATED

Contact: DAVID STEWART

E-Mail: david_stewart@oxy.com

3a. Address

5 GREENWAY PLAZA STE 110
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)

Ph: 432.685.5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 22 T24S R29E SENE 1415FNL 155FEL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 recompleat 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 approval for the following changes to the approved permit:

Batch drill the Cedar Canyon 23 Federal #4H and Cedar Canyon 23 Federal #5H with skidding operations

Batch drilling operations:

1. Drill surface hole on first well, skid to the second
2. Skid back to the first nipple up and test BOPE and drill intermediate hole
3. Skid to second well and nipple up and test BOPE and drill intermediate and production hole
4. Skid to first well and nipple up and test BOPE and drill production hole

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record

NMOC 12/1/15

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

Electronic Submission #323864 verified by the BLM Well Information System

For OXY USA INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by CHRISTOPHER WALLS on 11/23/2015 (16CRW0020SE)

Name (Printed/Typed) DAVID STEWART

Title REGULATORY ADVISOR

Signature (Electronic Submission)

Date 11/18/2015

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

NOV 23 2015

Date

/s/ Chris Walls

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

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.

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



Walls, Christopher <cwalls@blm.gov>

FW: Sundries for Cedar Canyon 23 Federal 5H & 4H

Chan_Tysor@oxy.com <Chan_Tysor@oxy.com>

Mon, Nov 23, 2015 at 1:39 PM

To: cwalls@blm.gov

Cc: tkrueng@blm.gov, Diego_Tellez@oxy.com, David_Stewart@oxy.com

Chris,

Apologies for missing the attachment.

We will use a blind cap to prevent anything from falling into the well and between skids to secure it.

Please see attached.

Thanks,

R. Chan Tysor

Drilling Engineer – Oxy Permian Primary

Office: 713-513-6668

Cell: 832-564-6454

Chan_Tysor@Oxy.com

From: Walls, Christopher [mailto:cwalls@blm.gov]

Sent: Monday, November 23, 2015 2:36 PM

To: Tysor, Chan <Chan_Tysor@Oxy.com>

Cc: Teungku Muchlis Krueng <tkrueng@blm.gov>; Tellez, Diego <Diego_Tellez@oxy.com>

Subject: Re: FW: Sundries for Cedar Canyon 23 Federal 5H & 4H

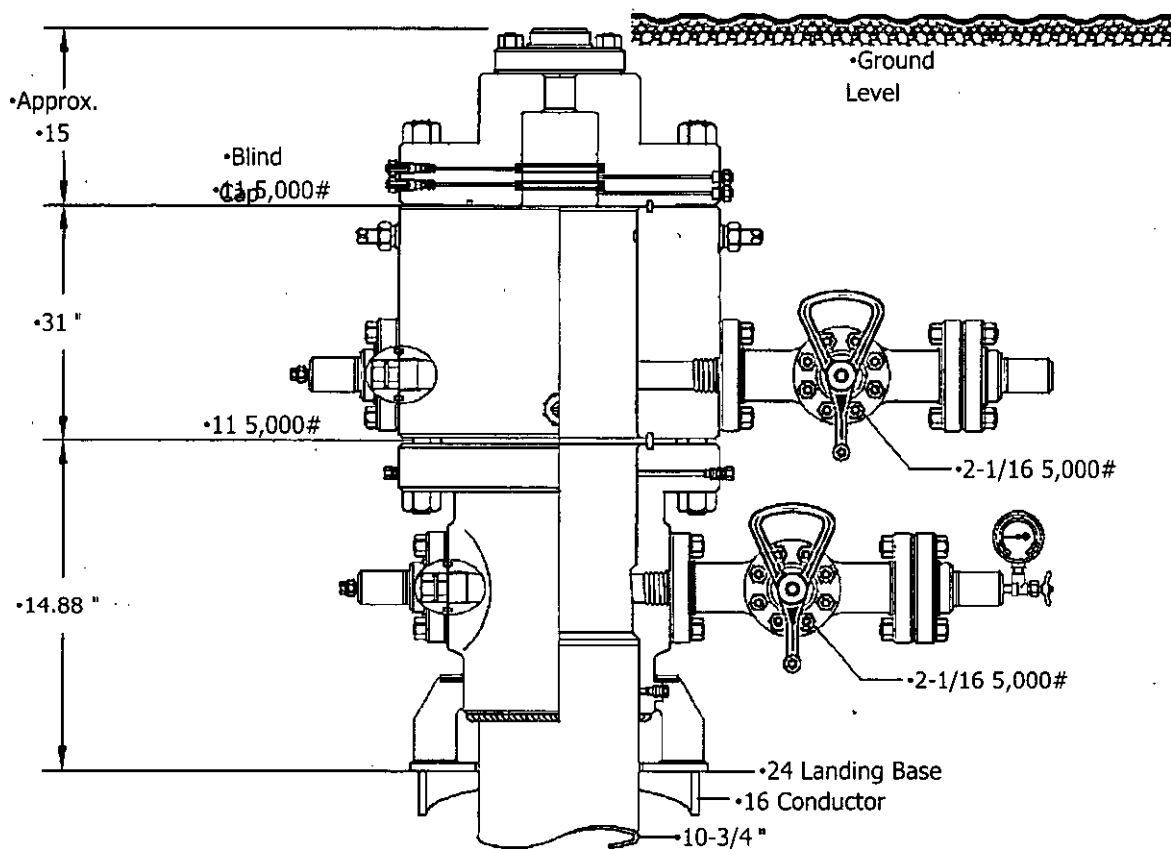
[Quoted text hidden]



Wellhead for pre-set surface casing.pptx

34K

Note: Dimensional information reflected on this drawing are estimated measurements only.



11 5KMBsw/5.5 Mandrel
Turnkey Spud Rig
•SENM



Name: •Jeanett	Date: •6-29-15	Working Pressure:	•#	•J-9579-
----------------	----------------	-------------------	----	----------

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA Inc
LEASE NO.:	NM81586
WELL NAME & NO.:	Cedar Canyon 23 Fed Com 4H
SURFACE HOLE FOOTAGE:	1352'/N & 195'/E Sec. 22
BOTTOM HOLE FOOTAGE:	1415'/N & 2460'/E Sec. 24
LOCATION:	Section 24, T. 24 S., R. 29 E., NMPM
COUNTY:	Eddy County, New Mexico

The operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well as proposed after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well.

A. CASING

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.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

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. (For surface casing the BOP can be nipped up after the cement has reached 500 psi compressive strength.)

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

Medium cave/karst

Possible water flows in Castile and Salado.

Possible lost circulation in Rustler, Salado and Delaware.

1. The 10 3/4 inch surface casing shall be set at approximately 440 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, the operator shall set the casing 25' above the salt.**
 - 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 is to include the lead cement slurry.**
 - 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.

Formation below the 10-3/4" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

The 7-5/8 inch intermediate casing must be kept liquid filled while running into hole to meet minimum BLM requirements for collapse.

2. The minimum required fill of cement behind the 7-5/8 inch intermediate casing is:
 - a. First stage to DV tool:
☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

Operator has proposed a contingency DV tool at 3075'. If operator circulates cement on the first stage, operator is approved to inflate the ACP and run the DV tool cancellation plug and cancel the second stage of the proposed cement plan. If cement does not circulate, operator will inflate ACP and proceed with the second stage.

b. Second stage above DV tool:

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.

Formation below the 7-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

3. The minimum required fill of cement behind the 5-1/2 x 4-1/2 inch production casing is:

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

4. 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.

CRW 103015