

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.

5. Lease Serial No.
NMNM89819

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
PALLADIUM MDP1-7-6 FEDERAL COM 3H

2. Name of Operator
OXY USA INC

Contact: DAVID STEWART
E-Mail: david_stewart@oxy.com

9. API Well No.
30-015-44292-00-X1

3a. Address
MIDLAND, TX 79710

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

10. Field and Pool or Exploratory Area
COTTON DRAW

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T24S R31E NENW 169FNL 2255FWL
32.224129 N Lat, 103.818375 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			
<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"/> Hydraulic Fracturing	<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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplate 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 recomplate 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 P&A the existing wellbore due to fish/hole problems.
Received verbal approval from Chris Walls with BLM on 9/26/17.

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 03 2017

Pre-cement

1. R/U Wireline.
2. Run dummy run with sinker bars of 2-3/4" OD minimum until refusal depth.
3. RIH w/ guns into lower fish; run until refusal depth, minimum depth of 8153' TVD.
4. Use CCL and position guns in between DP tool joints.
5. Perforate with 60 deg phase, 6 spf, 2 ft, 0.5" diameter (12 shots).
6. TOOH and R/D Wireline.
7. P/U packoff tool and 800' of 2-3/8" stinger.
8. Continue RIH w/ 5" DP to place 2-3/8" stinger into bottom fish.

RECEIVED
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #390131 verified by the BLM Well Information System For OXY USA INC, sent to the Carlsbad Committed to AFMSS for processing by CHRISTOPHER WALLS on 09/28/2017 (17CRW0056SE)	
Name (Printed/Typed) DAVID STEWART	Title SR REGULATORY ADVISOR
Signature (Electronic Submission)	Date 09/28/2017

Accepted for record
NMOC
A. L. B.

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By CHRISTOPHER WALLS	Title PETROLEUM ENGINEER	Date 09/28/2017
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 ****

Additional data for EC transaction #390131 that would not fit on the form

32. Additional remarks, continued

9. Position packoff at 4300' in between DP tool joints.
10. Inflate / activate packoff.
11. Establish circulation until achieving 5 bpm, monitor losses. Consult with tool hand for maximum differential pressure across packoff element.
12. Conduct PJSM with cement vendor and rig crew.
13. Pressure test surface lines to 250psi low/5000psi high with freshwater.
14. Ensure samples of dry cement, mix water and wet cement are collected throughout the job

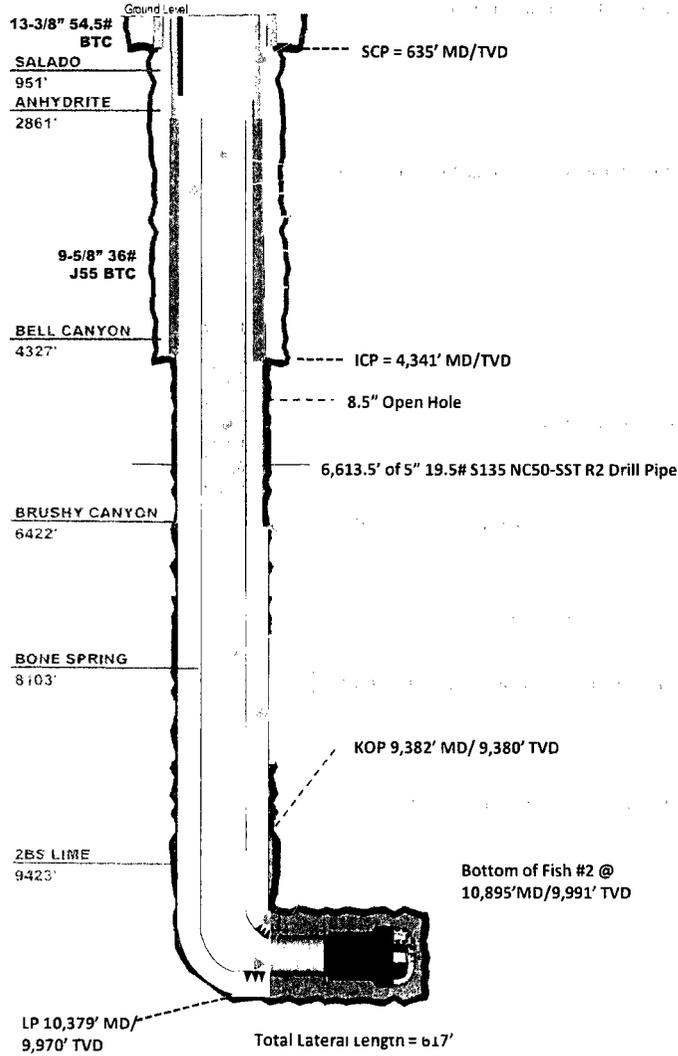
Cement ? 1st stage

15. Pump 13.2ppg cement through DP and stinger. Displace w/ 8.6ppg WBM. Plan TOC at 6500' - Brushy Canyon top - 0% excess - balance cement such that TOC inside drill string is at 6500'
16. Release 2-3/8" packoff and TOOH to 4173' (bottom of upper fish)
17. Circulate wellbore clean.
18. TOOH & L/D stinger
19. WOC until sufficient compressive strength is achieved to tag with W/L.
20. RIH with W/L and tag TOC

Cement ? 2nd stage

21. Rig up to bullhead cement through casing outlet valves.
22. Close blind rams.
23. Establish injection rates and record pressures. Start at 1/2bpm, then increase rate gradually to 4bpm
24. Bullhead 13.5ppg cement
25. Allow cement to drop, estimated TOC at 1300'. DO NOT FILL HOLE.
26. Close casing annulus valves.
27. WOC until sufficient compressive strength is achieved
28. Trip in hole with 8-1/2" bit and drill pipe and tag cement.
29. Trip out of hole.
30. Pump additional cement slowly through one side of casing annulus valve allowing to vent until cement is at surface, 585' minimum TOC.
31. If cement is not brought to surface, wait on cement and trip in with bit and BHA to tag TOC

PALLADIUM MDP1 7-6 FEDERAL COM 3H
API #: 30-015-44292
SCHEMATIC: P&A CEMENT PROPOSAL



Oxy Palladium MDP1 7/6 Fed Com 3H – H&P 656

Abandonment Plan – Rev5

Note: WOC times to be communicated based on pilot tests.

Pre-cement

1. R/U Wireline.
2. Run dummy run with sinker bars of 2 ¼" OD minimum until refusal depth.
3. RIH w/ guns into lower fish; run until refusal depth (minimum depth of 8,153' TVD).
4. Use CCL and position guns in between DP tool joints.
5. Perforate with 60 deg phase, 6 spf, 2 ft, 0.5" diameter (12 shots).
6. TOO H and R/D Wireline.
7. P/U packoff tool and 800' of 2 3/8" stinger.
8. Continue RIH w/ 5" DP to place 2 3/8" stinger into bottom fish.
9. Position packoff at 4,300' in between DP tool joints.
10. Inflate / activate packoff.
11. Establish circulation until achieving 5 bpm, monitor losses. Consult with tool hand for maximum differential pressure across packoff element.
12. Conduct PJSM with cement vendor and rig crew.
13. Pressure test surface lines to 250 psi low / 5,000 psi high with freshwater.
14. Ensure samples of dry cement, mix water and wet cement are collected throughout the job

Cement – 1st stage

15. Pump 13.2 ppg cement through DP and stinger. Displace w/ 8.6 ppg WBM
 - a. Plan TOC at 6,500' (Brushy Canyon top)
 - b. 0% excess
 - c. Balance cement such that TOC inside drill string is at 6,500'
16. Release 2 3/8" packoff and TOO H to 4,173' (bottom of upper fish)
17. Circulate wellbore clean
18. TOO H & L/D stinger
19. WOC until sufficient compressive strength is achieved to tag with W/L.
20. RIH with W/L and tag TOC

Cement – 2nd stage

21. Rig up to bullhead cement through casing outlet valves.
22. Close blind rams.
23. Establish injection rates and record pressures.
 - a. Start at ½ bpm, then increase rate gradually to 4 bpm
24. Bullhead 13.5 ppg cement
25. Allow cement to drop (estimated TOC at 1300'). DO NOT FILL HOLE.
26. Close casing annulus valves.
27. WOC until sufficient compressive strength is achieved
28. Trip in hole with 8.5" bit and drill pipe and tag cement.
29. Trip out of hole.
30. Pump additional cement slowly through one side of casing annulus valve allowing to vent until cement is at surface (585' minimum TOC).
31. If cement is not brought to surface, wait on cement and trip in with bit and BHA to tag TOC

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging 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 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: 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.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment 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