

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 oil conservation abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM82896
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2 **JAN 31 2019**

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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		RECEIVED	8. Well Name and No. NIMITZ MDP1 13 FEDERAL COM 1H
2. Name of Operator OXY USA INCORPORATED Contact: DAVID STEWART E-Mail: david_stewart@oxy.com			9. API Well No. 30-015-44524-00-X1
3a. Address 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521	3b. Phone No. (include area code) Ph: 432.685.1571	10. Field and Pool or Exploratory Area COTTON DRAW-BONE SPRING	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T24S R30E NENW 258FNL 2405FWL 32.224442 N Lat, 103.835136 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original APD
	<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 recomple 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 recomple 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 a variance to the 90 day requirement in the approved APD's COA's to complete drilling after the spudder rig has moved off the well. The surface hole was drilled, cased and cemented 3/27/18, see attached for sundry notice.

OXY is currently analyzing the current production from the offset wells and currently plans to fully develop and complete drilling of this well by the 4th quarter 2019. Please see attached for additional information.

Accepted For Record
NMOCD *my*
1-31-19

All previous COA's shall apply.

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

Electronic Submission #443363 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 11/09/2018 (19PP0354SE)

Name (Printed/Typed) DAVID STEWART	Title REGULATORY ADVISOR
Signature (Electronic Submission)	Date 11/08/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>ZQIA STEVENS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>01/22/2019</u>
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 <u>Carlsbad</u>

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 ****



Occidental Oil and Gas Corporation
ATTN: Kacie Cruz
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-350-4889
kacie_cruz@oxy.com

November 8, 2018

Mr. Michael Balliett
Bureau of Land Management
620 E Greene Street
Carlsbad, New Mexico 88220

RE: Nimitz BLM Non-Compliance Notification—Justification
OXY USA Inc.
Nimitz MDP1 13 Fed Com 1H and Nimitz MDP1 12 Fed Com 8H
INC_19MB014i and 19MB015i
Section 13, 12, 1, T24S-R.30E, Eddy County

Dear Mr. Balliett:

Oxy USA Inc. respectfully seeks approval to postpone drilling operations on the Nimitz MDP1 13 Fed Com 1H and Nimitz MDP1 12 Fed Com 8H till no later than Q4 2019. These two Nimitz wells in question were initiated with a spudder rig but have not been drilled to the final proposed TD.

Development of the remaining 2 Nimitz wells - Nimitz MDP1 13 Fed Com 1H and Nimitz MDP1 12 Fed Com 8H are pending well performance of the 2018 drills in the Nimitz 13 and 12 sections. It is Oxy's responsibility as a prudent operator to optimize well spacing for horizontal development and minimize reserves left in the ground. With this time extension to analyze production results, Oxy will optimize recoverable reserves.

Oxy currently plans to fully develop and to complete the drilling of the two wellbores by Q4 2019.

Sincerely,

A handwritten signature in black ink, appearing to read "Kacie Cruz", written in a cursive style.

Kacie Cruz
Development Production Engineer
Oxy USA Inc.

Stewart, David R

From: Wilson, Robert K
Sent: Thursday, November 08, 2018 1:42 PM
To: Balliett, Michael
Cc: Musallam, Sandra C; Cruz, Kacie; Morris, Justin C
Subject: REPLY_INC_19MB014i_NIMITZ MDP1 13 FED 1H
Attachments: INC_19MB014i_REPLY_NIMITZ MDP1 13-1H.pdf; BLM REPLY LETTER_11-8-2018.pdf

Michael,

Attached please find the response to the above referenced INC concerning the completion of drilling activities on the NIMITZ MDP1 13 Federal Com # 1H wellbore located in Eddy county New Mexico on Lease NMNM82896. The subject well was initiated with a spudder rig and due to planning issues, we have not been able to move in a rig to drill the well out to the final proposed depth at this time. It is requested that the wellbore remain shut-in at this time until the resumption of drilling activities that are scheduled to be completed by the fourth quarter of 2019. Please see the attached letter from the Development Engineer, Ms. Kacie Cruz, with the projected time line.

In addition, a copy of the information above will be sent to your attention via U.S. Mail at your Carlsbad Office.

Thank you,

Robert K Wilson
Regulatory Engineer
Office: 713-985-6991 || 29.125 || Cell: 281-731-8091

I & E CFO

Form 3160-9
(December 1989)

Number 19MB0141

Page 1 of 2

Certified Mail - Return Receipt Requested
7018113000132511295

Hand Delivered Received by

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Identification	
IID	
Lease	NMNM82896
CA	
Unit	
PA	

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator OXY USA INCORPORATED			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address 5 GREENWAY PLAZA SUITE 110 HOUSTON TX 77046-0521			
Telephone 575.234.5972				Attention			
Inspector BALLIETT				Attn Addr			
Site Name NIMITZ MDP1 13 FEDERAL COM	Well/Facility/FMP 1H	1/4 1/4 Section NENW 13	Township 24S	Range 30E	Meridian NMP	County EDDY	State NM
Site Name	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
10/05/2018	08:30	43 CFR 3162.1(a)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
11/15/2018			43 CFR 3163.1()

Remarks

Per the attached Sundry Notice, Oxy drilled the surface hole and moved the spudder rig off on 3/27/18. No further drilling has been done on this well. You were required by the COA's to start drilling again within 90 days after the rig moved off the hole. Perform one of the following actions:
(Remarks continued on following page(s))

When violation is corrected sign this notice and return to above address

Company Representative Title REGULATORY ENGINEER Signature [Signature] Date 11/8/2018

Company Comments Please find attached A letter of explanation for the referenced well and request to leave the well shut-in until the completion of drilling operations by the fourth quarter 2019, in one year.

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance") If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer: [Signature] Date 10/5/18 Time 8:55

FOR OFFICE USE ONLY

Number 51	Date	Assessment	Penalty	Termination
Type of Inspection DW				

BLM Remarks, continued

1. Finish drilling the well.
2. Submit for review of the authorized officer a request to shut in the well. This request must include justification for not fully drilling the well, but also not plugging the well. And, a time table for when one can expect the well to be fully drilled.
3. Submit a Notice of Intent to Plug and Abandon the well bore.

UNITED STATES
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BUREAU OF LAND MANAGEMENT

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2. Name of Operator OXY USA INCORPORATED Contact: JANA MENDIOLA E-Mail: janaly_n_mendiola@oxy.com		9. API Well No. 30-015-44524-00-X1
3a. Address 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521	3b. Phone No. (include area code) Ph: 432-685-5936	10. Field and Pool or Exploratory Area COTTON DRAW-BONE SPRING
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<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 Drilling Operations
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Spud 17-1/2" hole 3/26/18, drill to 568' 3/27/18. RIH & set 13-3/8" 54.5# J-55 csg @ 555', pump 20BFW spacer then cmt w/ 730sx (176bbl) Class C cmt w/ additives 14.8ppg 1.35 yield, full returns throughout job, circ 357sx (86bbl) cmt to surface, WOC. 3/27/18 RD & release rig.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #410409 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 04/05/2018 (18JAS1013SE)	
Name (Printed/Typed) DAVID STEWART	Title SR. REGULATORY ADVISOR
Signature (Electronic Submission)	Date 04/05/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	(BLM Approver Not Specified)	Date 04/05/2018
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

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