

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTNMOCD  
HobbsFORM 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.  
NMNM2379

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
COVINGTON A FEDERAL 19. API Well No.  
30-025-2494710. Field and Pool or Exploratory Area  
RED TANK BONE SPRING11. County or Parish, State  
LEA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

## 1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
OXY USA INC.Contact: DAVID STEWART  
E-Mail: david\_stewart@oxy.com3a. Address  
P.O. BOX 50250  
MIDLAND, TX 797103b. Phone No. (include area code)  
Ph: 432-685-5717

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

Sec 25 T22S R32E NENW 660FNL 1980FWL  
32.368183 N Lat, 103.630538 W Lon

## 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 Workover Operations
	<input type="checkbox"/> Change Plans	<input 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 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 must 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 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.

1. MIRU pulling unit.
2. POOH w/ pump & rods, ND WH, NU BOP
3. Unseat TAC & POOH w/ tbg & scan
4. PU BHA consisting of 6" tri-cone bit and 6 x 3-1/8" DC, RIH & tag CIBP @ +/- 8800'.
5. Drill out CIBP, RIH to to 9950', circ hole clean, POOH.
6. RIH w/ CIBP & set @ 9934', dump bail 10' cmt on top, POOH.

Approved as written. See attached  
for general requirements.

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

Electronic Submission #366747 verified by the BLM Well Information System  
For OXY USA INC., sent to the Hobbs  
Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/13/2017 ()

Name (Printed/Typed) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 02/10/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

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)

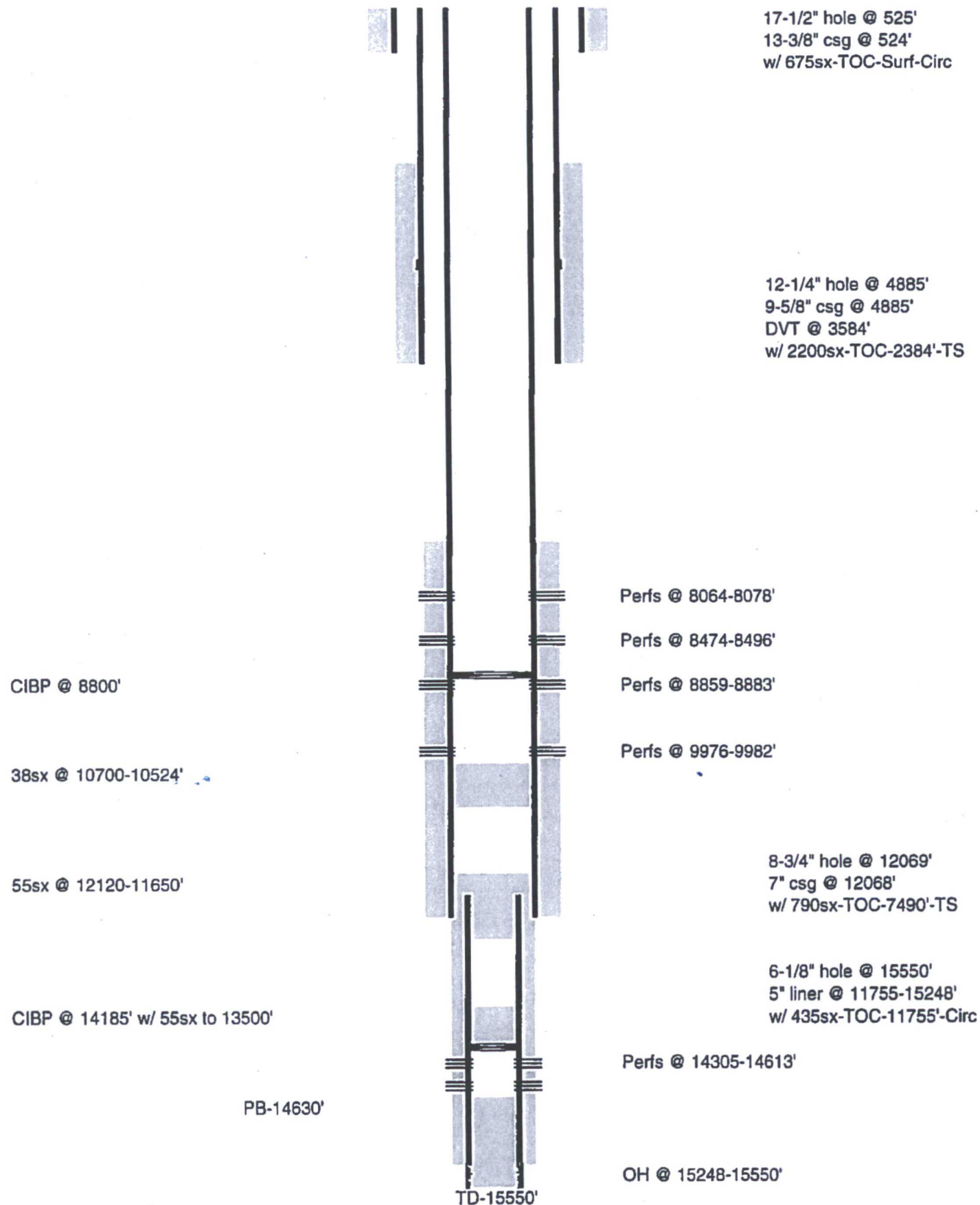
\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

**Additional data for EC transaction #366747 that would not fit on the form**

**32. Additional remarks, continued**

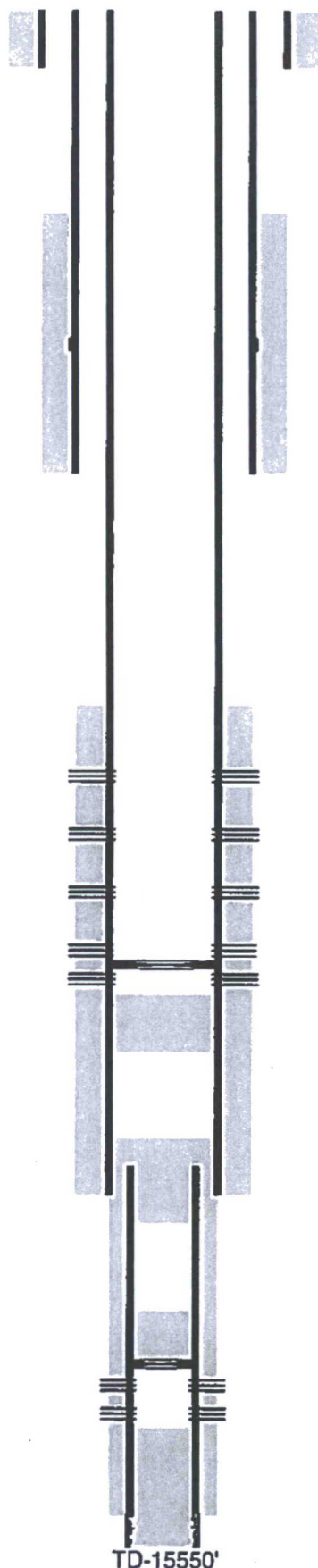
7. RIH w/ 7" AS-1 pkr on 4-1/2" P110 13.5# BTC frac string & set pkr @ 9000'.
8. Pressure test frac string, casing and CIBP to 4000# for 10 mins.
9. RIH w/ WL & perf 6SPF @ 9890-9895', POOH, ND BOP, RDPU, NU frac valve.
10. RU frac equip & test, monitor 4-1/2" x 7" annulus, RU pop off valve to 7" x 9-5/8" annulus, set @ 2000#, RU pressure transducer to 9-5/8" x 13-3/8" annulus. Monitor throughout the job.
11. Test frac lines, master valve to 4000#. Pump 2520g Slickwater, 1000g 15% HCl acid, 41000g 15# XL Gel w/ 75000# sand.
12. After frac the well will be flowed back through the frac stack/flow cross.
13. After flow back, turn well over to operations, POOH w/ frac string & pkr, RIH w/ tbg, rods & pump.

OXY USA Inc. - Current  
Covington A Federal #1  
API No. 30-025-24947





OXY USA Inc. - Proposed  
Covington A Federal #1  
API No. 30-025-24947



17-1/2" hole @ 525'  
13-3/8" csg @ 524'  
w/ 675sx-TOC-Surf-Circ

12-1/4" hole @ 4885'  
9-5/8" csg @ 4885'  
DVT @ 3584'  
w/ 2200sx-TOC-2384'-TS

Perfs @ 8064-8078'

Perfs @ 8474-8496'

Perfs @ 8859-8883'

**Perfs @ 9890-9895'**  
Perfs @ 9976-9982'

8-3/4" hole @ 12069'  
7" csg @ 12068'  
w/ 790sx-TOC-7490'-TS

6-1/8" hole @ 15550'  
5" liner @ 11755-15248'  
w/ 435sx-TOC-11755'-Circ

Perfs @ 14305-14613'

OH @ 15248-15550'

**CIBP @ 9934' w/ 10' cmt**

38sx @ 10700-10524'

55sx @ 12120-11650'

CIBP @ 14185' w/ 55sx to 13500'

PB-14630'

TD-15550'

Submit 1 Copy To Appropriate District Office  
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

Form C-103  
Revised July 18, 2013

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-025-24947
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease <u>Federal</u> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator OXY USA Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 50250 Midland, TX 79710		7. Lease Name or Unit Agreement Name <u>Covington A Federal</u>
4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>north</u> line and <u>1980</u> feet from the <u>west</u> line Section <u>25</u> Township <u>22S</u> Range <u>32E</u> NMPM County <u>Lea</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3764'</u>		9. OGRID Number 16696
		10. Pool name or Wildcat <u>Red Tank Delanone, West</u> <u>Red Tank Bone Springs</u>

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <u>Pre-Approved Rods - R11363</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

See Attached

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 David Stewart TITLE Sr. Regulatory Advisor DATE 2/10/17

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

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any): \_\_\_\_\_

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. Fern St. Artesia, NM 88210  
District III  
1000 Rio Hondo Road, Artesia, NM 88210  
District IV  
1220 S. St. Francis Dr. Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator OXY USA Inc. Address P.O. Box 50250 Midland, TX 79710  
Lease Corington A Federal 1 Well No C-25-225-32E County Lea  
Unit Letter-Section-Township-Range  
OGRID No. 16696 Property Code 304796 API No 30-025-24947 Lease Type ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>ReTank Delaware West</u>		<u>ReTank Boe Spring</u>
Pool Code	<u>51689</u>		<u>51683</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>8064 - 8496'</u>		<u>8859 - 9910'</u>
Method of Production (Flowing or Artificial Lift)	<u>Artificial Lift</u>		<u>Artificial Lift</u>
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	<u>—</u>		<u>—</u>
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>42°</u>		<u>42°</u>
Producing, Shut-In or New Zone	<u>Producing</u>		<u>SI / New Zone</u>
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date <u>7/25/14</u> Rates <u>1 @ 2610W</u>	Date Rates	Date <u>5/2002</u> Rates <u>8 @ 4068W</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <u>9 %</u> Gas <u>10 %</u>	Oil <u>%</u> Gas <u>%</u>	Oil <u>91 %</u> Gas <u>90 %</u>

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐  
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐  
Will commingling decrease the value of production? Yes ☐ No ☒  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands  
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐  
NMOCD Reference Case No. applicable to this well R-11363

Attachments

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula.  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application  
Bottomhole pressure data.

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

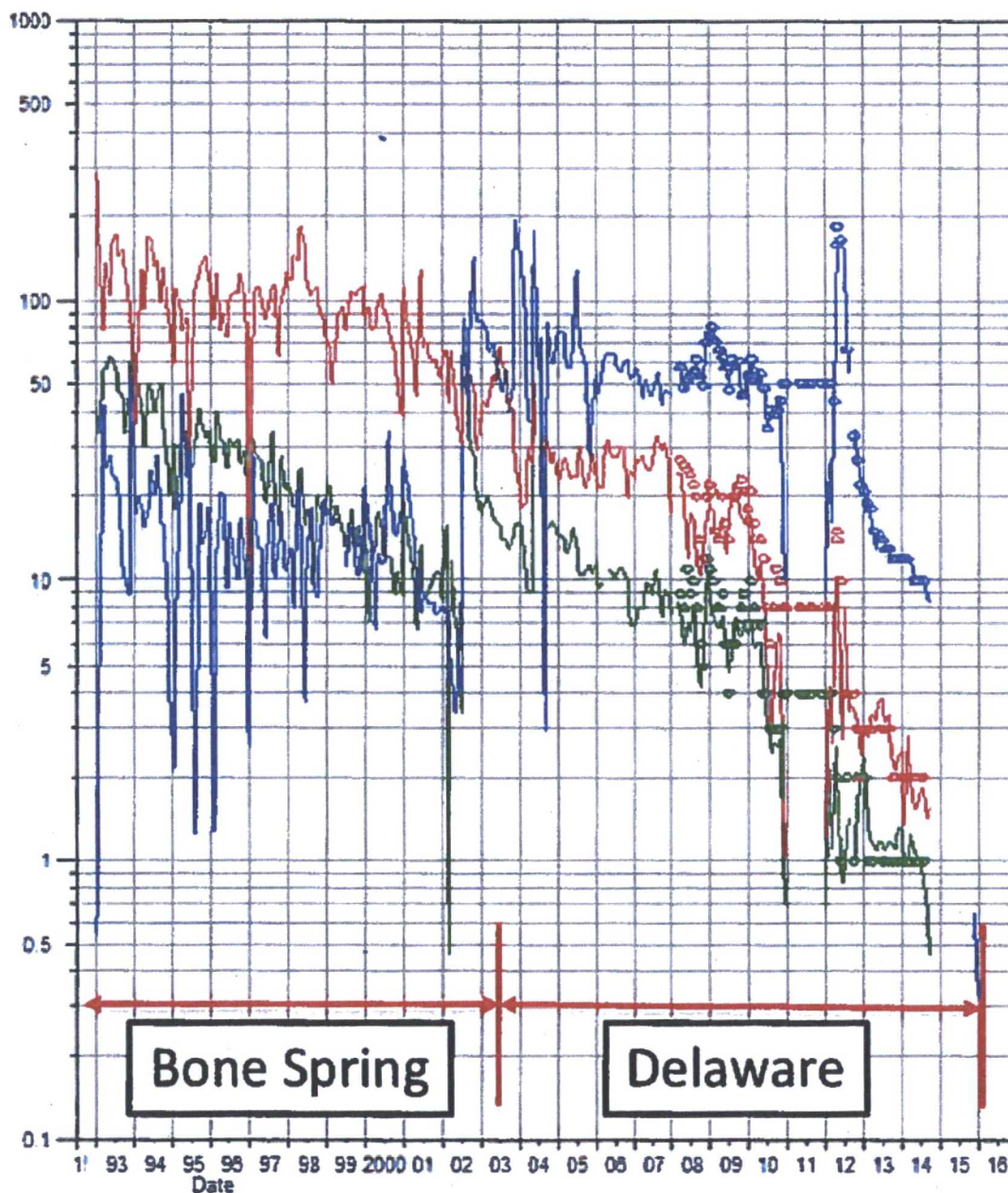
SIGNATURE David Stewart TITLE SR. Regulatory Advisor DATE 2/10/17  
TYPE OR PRINT NAME David Stewart TELEPHONE NO. (432) 685-5777  
E-MAIL ADDRESS david.stewart@oxy.com



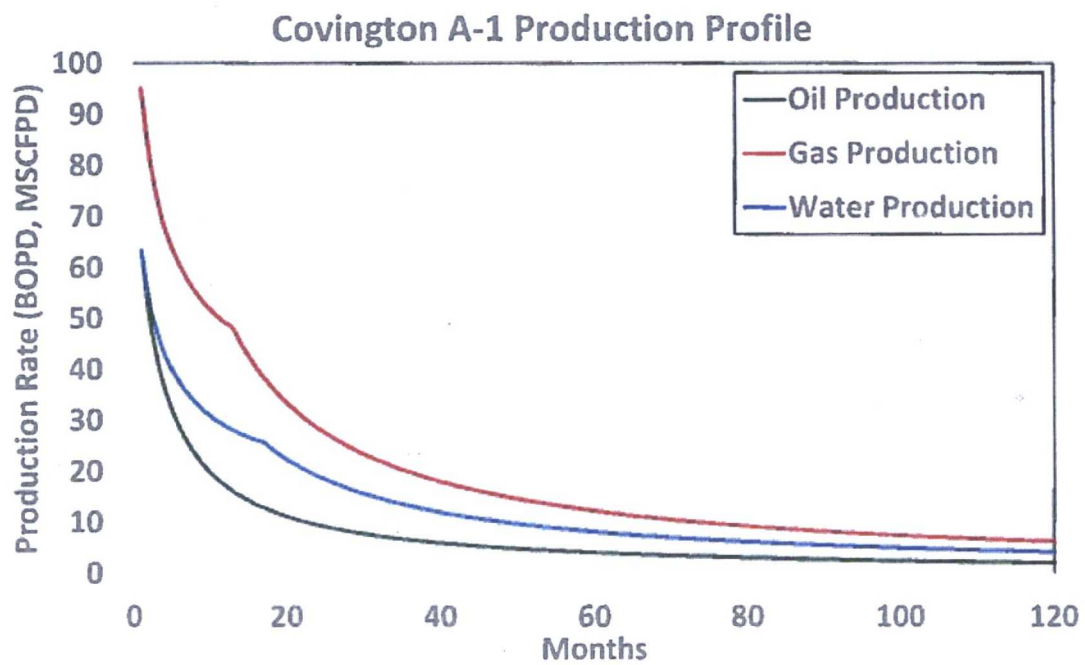
# Historical Production Curves

COVINGTN-001

- CD\_OIL\_PROD ( bbl/d )
- CD\_Water\_PROD ( bbl/d )
- CD\_GAS\_PROD ( Mcf/d )
- Test\_Oil ( bbl/d )
- Test\_Gas ( Mcf/d )
- Test\_Water ( bbl/d )

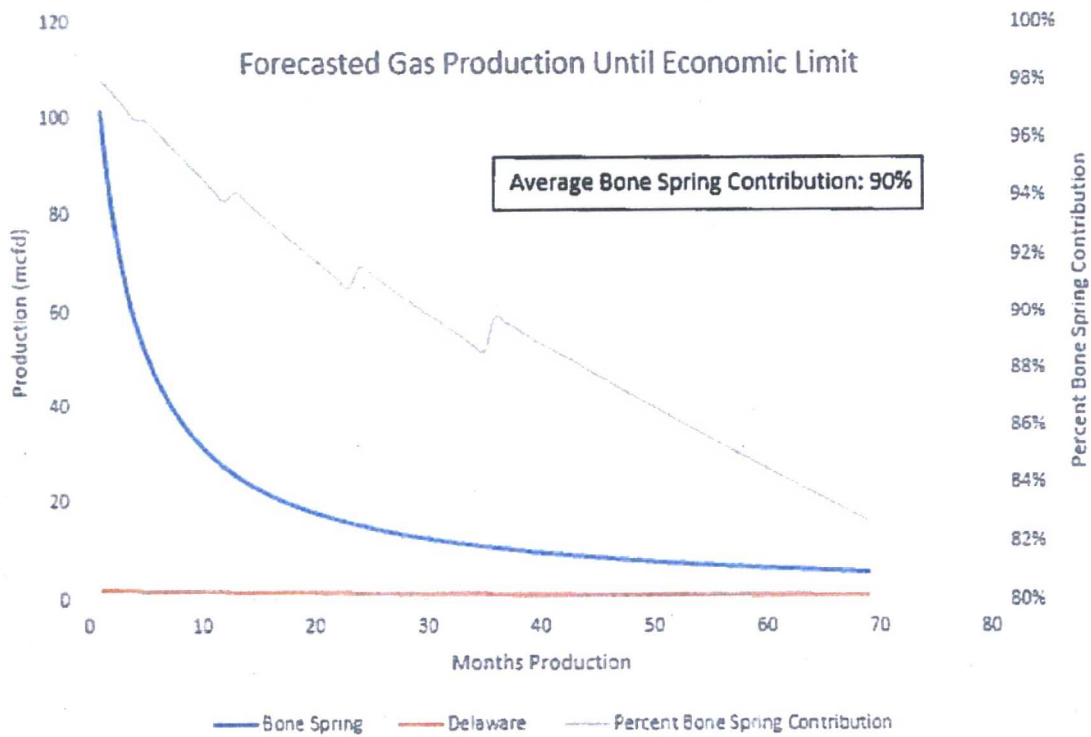
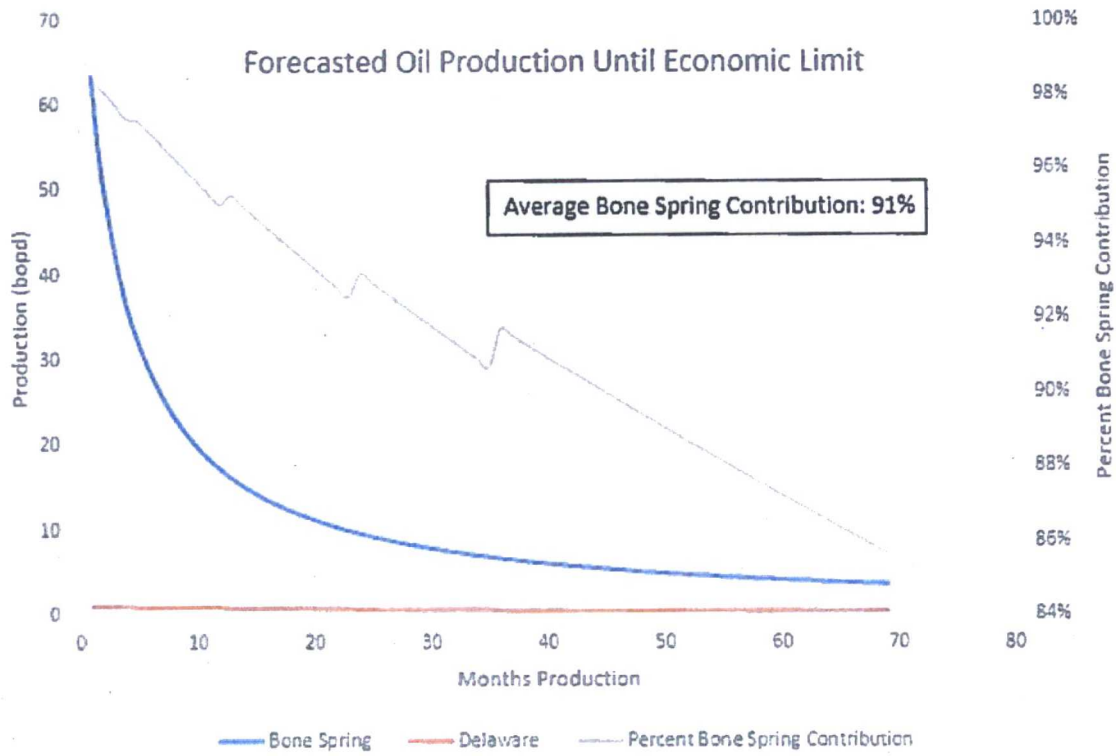


New BONE SPRING Production Forecast





# Allocation Method



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

**General Requirements**

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 this approval.

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

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

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.

**Before pumping 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. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back 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 work was completed.**

7. **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.