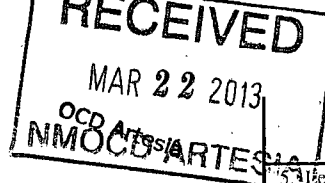


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM 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.
NMNM94651

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
CEDAR CANYON 27 FEDERAL COM 1H

9. API Well No.
30-015-41095-00-X1

10. Field and Pool, or Exploratory
CEDAR CANYON

11. 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 R 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
Fx: 432-685-5742

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 27 T24S R29E NWNW 595FNL 845FWL

12. CHECK 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	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Change to Original A
	☐ Convert to Injection	☐ Plug Back	☐ 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 drilling plan:

1. Directional plan modification. New target 9356'TMD 5265'TVD for the lateral section, see attached for directional plan.

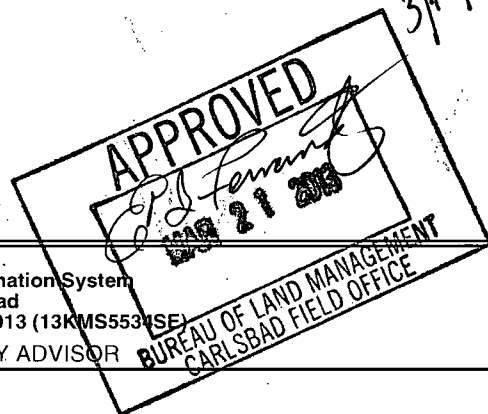
2. Casing design modification, to drill the well with smaller bit sizes:

a. Surface Casing-
11-3/4" 42# H-40 ST&C csg @ 0-435', 14-3/4" hole w/ 8.6# mud

Coll Rating (psi) Burst Rating (psi) SF Coll SF Burst SF Ten
1070 1980 5.5 1.52

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Accepted for record
NMOC D 105/3/2/2013



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

Electronic Submission #201608 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 03/19/2013 (13KMS553) (SE)

Name (Printed/Typed) DAVID R STEWART

Title REGULATORY ADVISOR

Signature (Electronic Submission)

Date 03/14/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Ed Fernandez
(BLM Approver Not Specified)

PETROLEUM ENGINEER
Title PETROLEUM ENGINEER

Date 03/21/2013

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.

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

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #201608 that would not fit on the form

32. Additional remarks, continued

b. Intermediate Casing-

8-5/8" 32# J-55 LT&C csg @ 0-3000', 10-5/8" hole w/ 10# mud

Coll Rating (psi)	Burst Rating (psi)	SF Coll	SF Burst	SF Ten
2530	3930	1.62	1.86	2.29

c. Production Casing

5-1/2" 17# L-80 LT&C csg @ 0-9356'M 5265'V, 7-7/8" hole w/ 9.2# mud

Coll Rating (psi)	Burst Rating (psi)	SF Coll	SF Burst	SF Ten
6290	7740	2.61	3.04	1.92

Collapse and burst loads calculated using Stress Check with anticipated loads.

3. Cement volumes adjustment to the new depth and bit/casing sizes.

a. Surface - Circulate cement to surface w/ 350sx PP cmt w/ 2% CaCl₂, 14.8ppg 1.35 yield 1346# 24hr CS 150% Excess

b. Intermediate - Circulate cement to surface w/ 590sx HES light PP cmt w/ 5% Salt, 12.9ppg 1.85 yield 853# 24hr CS 125% Excess followed by 230sx PP cmt, 14.8ppg 1.33 yield 1571# 24hr CS 125% Excess.

c. Production - Cement w/ 280sx PP cmt w/ 14.8#/sx Silicalite 50/50 Blend + 16#/sx Scotchlite HGS-6000 w/ .5#/sx CFR-3 + .15#/sx WG-17 + 1#/sx Cal-Seal 60 + 1.5#/sx salt + 2% CaCl₂, 10.6ppg 2.69 yield 646# 24hr CS 80% Excess followed by 690sx Super H w/ 3#/sx salt + .5% Halad-344 + .2% HR-800 + .4% CFR-3, 13.2ppg 1.64 yield 1447# 24hr CS 40% Excess, Calc TOC-2500'
Description of Cement Additives: Calcium Chloride, Cal-Seal 60, Salt (Accelerator), Silicalite (Additive Material), CFR-3 (Dispersant), WG-17 (Gelling Agent), Scotchlite HGS-6000 (Light Weight Additive), Halad-344 (Low Fluid Loss Control), HR-800 (Retarder)

The above cement volumes could be revised pending the caliper measurement.

AMEND APD**OPERATOR NAME / NUMBER: OXY USA Inc - 16696****LEASE NAME / NUMBER: Cedar Canyon 27 Federal Com #1H - 39717****POOL NAME/NUMBER: Cedar Canyon Delaware - 11540****API No.: 30-015-41095****STATE: NM****COUNTY: Eddy****SURFACE LOCATION: 595 FNL 845 FWL NWNW(D) Sec 27 T24S R29E - Fee****BOTTOM HOLE LOCATION: 380 FSL 660 FWL SWSW(M) Sec. 27 T24S R29E - NMNM094651****SUMMARY OF CHANGES:**

Oxy USA respectfully requests approval for the following changes to the drilling plan:

1. Directional plan modification. New target TVD for the lateral section is 5265' (still in the Brushy Canyon formation.).
2. Casing design modification, to drill the well with smaller bit sizes: 14 3/4" surface hole, 10 5/8" intermediate hole and 7 7/8" production hole.
3. Cement volumes adjustment to the new depth and bit/casing sizes. Cement recipe modifications.

GREATEST PROJECTED TD 9356' MD/ 5265' TVD OBJECTIVE: Brushy Canyon A sand**1. CASING PROGRAM (ALL NEW CASING)**

Surface Casing: 11.75" casing set at $\pm$ 435' MD/435' TVD in a 14.75" hole filled with 8.60 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-435'	435'	42	H-40	ST&C	1070	1980	222	11.084	10.928	5.50	1.52	1.92

Intermediate Casing: 8.625" casing set at 3000' MD / 3000' TVD in a 10.625" hole filled with 10 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0' - 3000'	3000'	32	J-55	LT&C	2530	3930	417	7.921	7.875	1.62	1.86	2.29

Production Casing: 5.5" casing set at $\pm$ 9356' MD / 5265' TVD in a 7.875" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0' - 9356'	9356'	17	L-80	LT&C	6290	7740	338	4.892	4.767	2.61	3.04	1.92

Collapse and burst loads calculated using Stress Check with actual anticipated loads.

2. CEMENT PROGRAM:

Surface Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Surface (TOC: 0' - 435')							
Tail: 0' - 435' (150 % Excess)	350	435'	Premium Plus cement with Premium Plus Cement, 2% Calcium Chloride	6.39	14.80	1.35	1346 psi

Intermediate Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Intermediate (TOC: 0' - 3000')							
Lead: 0' - 2400' (125% Excess)	590	2400'	Light Premium Plus Cement, with 5% Salt	9.83	12.9	1.85	853 psi
Tail: 2400' - 3000' (125 % Excess)	230	600'	Premium Plus cement	6.34	14.80	1.33	1571 psi

Production Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Production (TOC: 2500' - 9356') Single Stage							
Lead: 2500' - 4696' (80% Excess)	280	2196'	Premium Cement, 14.8 lb/sk Silicalite 50/50 Blend, 15 lb/sk Scotchlite HGS-6000, 0.5 lb/sk CFR-3, 0.15 lb/sk WG-17, 1 lb/sk Cal-Seal 60, 1.5 lb/sk Salt, 2% Calcium Chloride-Flake	12.45	10.6	2.69	646 psi
Tail: 4696' - 9356' (40% Excess)	690	4660'	Super H Cement, 3 lbm/sk Salt, 0.4% CFR 3, 0.5% Halad 344, 0.2% HR-800	8.54	13.2	1.64	1447 psi

Cement Additives: *Bentonite (light weight additive), Calcium Chloride (accelerator), Halad-344 (low fluid loss control), HR-601 (retarder), Salt (salt), Poly-E-Flake (lost circulation additive), Silicalite (Additive Material), CFR-3 (Dispersant), Scotchlite HGS 6000 (Light Weight Additive), WG-17 (Gelling Agent), Cal-Seal 60 (Accelerator)

3. DIRECTIONAL PLAN

Please see attached directional plan



Cedar Canyon 27 #1H
Eddy Co, New Mexico

Federal Com

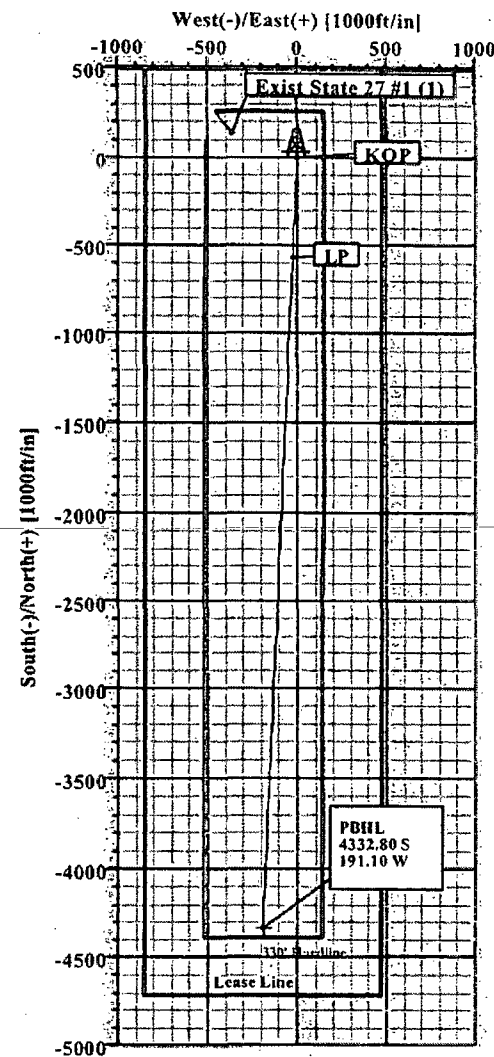
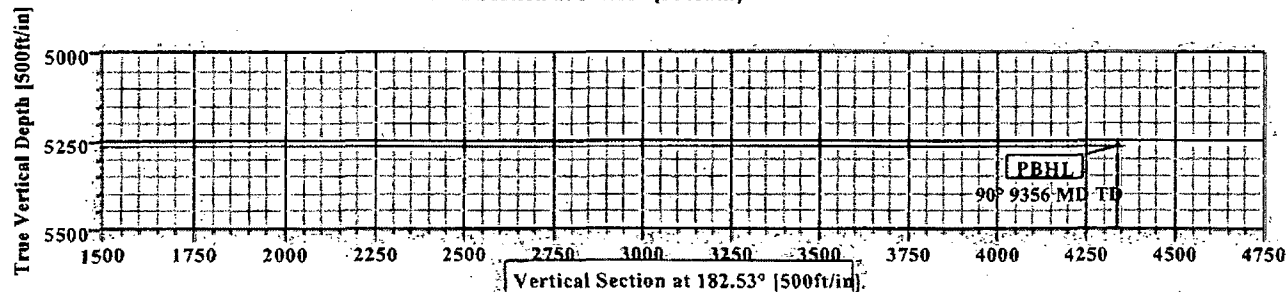
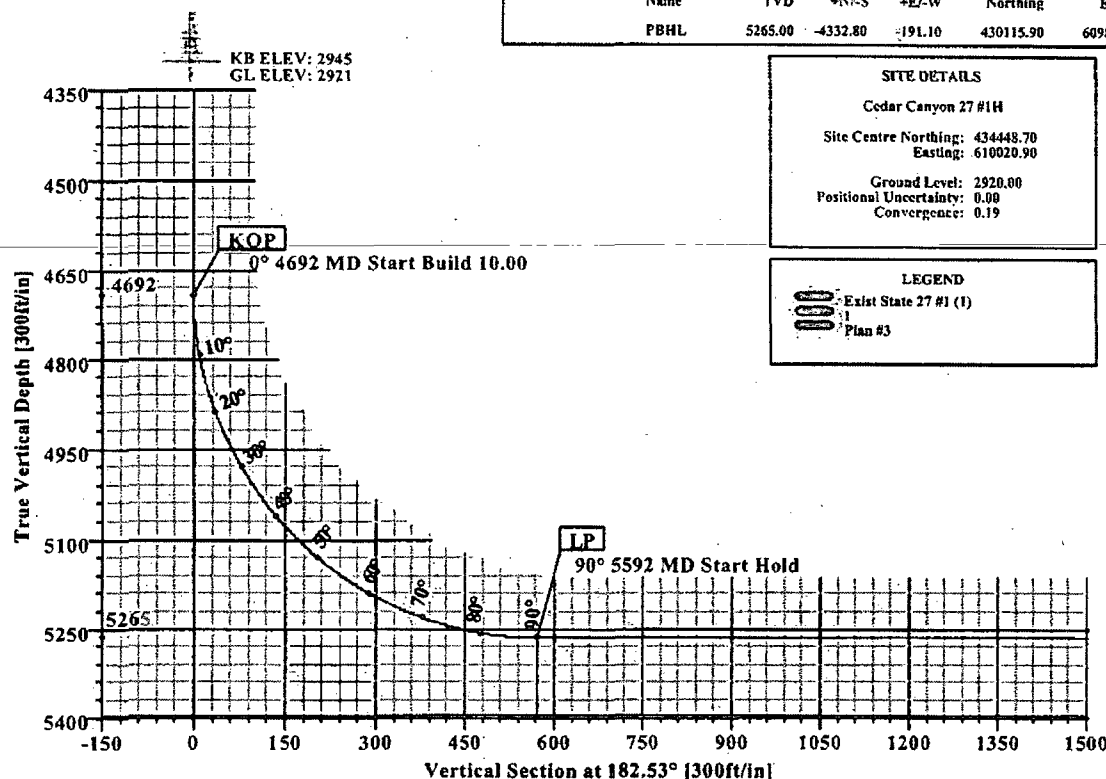
SECTION DETAILS										
Sec	MD	Inc.	Azi	TVD	+N-S	+E-W	DLog	TFace	VSec	Target
1	0.00	0.00	182.53	0.00	0.00	0.00	0.00	0.00	0.00	
2	4692.04	0.00	182.53	4692.04	0.00	0.00	0.00	0.00	0.00	
3	5592.04	90.00	182.53	5265.00	-572.40	-25.25	10.00	182.53	572.96	
4	9356.10	90.00	182.53	5265.00	-4332.80	-191.10	0.00	0.00	4337.01	PBHL

WELL DETAILS						
Name	+N-S	+E-W	Northing	Easting	Latitude	Longitude
Cedar Canyon 27 #1H	0.00	0.00	434448.70	610020.90	32°11'38.099N	103°58'39.618W

TARGET DETAILS						
Name	TVD	+N-S	+E-W	Northing	Easting	Shape
PBHL	5265.00	-4332.80	-191.10	430115.90	609829.80	Point

SITE DETAILS
Cedar Canyon 27 #1H
Site Centre Northing: 434448.70
Easting: 610020.90
Ground Level: 2920.00
Positional Uncertainty: 0.00
Convergence: 0.19

LEGEND
Exist State 27 #1 (I)
Plan #3



Weatherford

Plan: Plan #3 (Cedar Canyon 27 #1H/I)
Created By: Patrick Rudolph Date: 3/8/2013

Page: 1



Weatherford International Ltd.

WFT Plan Report - X & Y's



Weatherford

Company: Occidental Permian Ltd.	Date: 3/7/2013	Time: 17:31:19	Page: 2
Field: Eddy Co NM (Nad 27)	Co-ordinate (NE) Reference:	Well: Cedar Canyon 27 #1H	Grid North
Site: Cedar Canyon 27 #1H	Vertical (TVD) Reference:	SITE 2944.0	
Well: Cedar Canyon 27 #1H	Section (VS) Reference:	Well (0.00N 0.00E 182.53Azi)	
Wellpath: 1	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
5800.00	90.00	182.53	5265.00	-780.16	-34.41	780.92	0.00	433668.54	609986.49	
5900.00	90.00	182.53	5265.00	-880.06	-38.82	880.92	0.00	433568.64	609982.08	
6000.00	90.00	182.53	5265.00	-979.96	-43.22	980.92	0.00	433468.74	609977.68	
6100.00	90.00	182.53	5265.00	-1079.87	-47.63	1080.92	0.00	433368.83	609973.27	
6200.00	90.00	182.53	5265.00	-1179.77	-52.03	1180.92	0.00	433268.93	609968.87	
6300.00	90.00	182.53	5265.00	-1279.67	-56.44	1280.92	0.00	433169.03	609964.46	
6400.00	90.00	182.53	5265.00	-1379.57	-60.85	1380.92	0.00	433069.13	609960.05	
6500.00	90.00	182.53	5265.00	-1479.48	-65.25	1480.92	0.00	432969.22	609955.65	
6600.00	90.00	182.53	5265.00	-1579.38	-69.66	1580.92	0.00	432869.32	609951.24	
6700.00	90.00	182.53	5265.00	-1679.28	-74.07	1680.92	0.00	432769.42	609946.83	
6800.00	90.00	182.53	5265.00	-1779.19	-78.47	1780.92	0.00	432669.51	609942.43	
6900.00	90.00	182.53	5265.00	-1879.09	-82.88	1880.92	0.00	432569.61	609938.02	
7000.00	90.00	182.53	5265.00	-1978.99	-87.28	1980.92	0.00	432469.71	609933.62	
7100.00	90.00	182.53	5265.00	-2078.89	-91.69	2080.92	0.00	432369.81	609929.21	
7200.00	90.00	182.53	5265.00	-2178.80	-96.10	2180.92	0.00	432269.90	609924.80	
7300.00	90.00	182.53	5265.00	-2278.70	-100.50	2280.92	0.00	432170.00	609920.40	
7400.00	90.00	182.53	5265.00	-2378.60	-104.91	2380.92	0.00	432070.10	609915.99	
7500.00	90.00	182.53	5265.00	-2478.51	-109.32	2480.92	0.00	431970.19	609911.58	
7600.00	90.00	182.53	5265.00	-2578.41	-113.72	2580.92	0.00	431870.29	609907.18	
7700.00	90.00	182.53	5265.00	-2678.31	-118.13	2680.92	0.00	431770.39	609902.77	
7800.00	90.00	182.53	5265.00	-2778.21	-122.53	2780.92	0.00	431670.49	609898.37	
7900.00	90.00	182.53	5265.00	-2878.12	-126.94	2880.92	0.00	431570.58	609893.96	
8000.00	90.00	182.53	5265.00	-2978.02	-131.35	2980.92	0.00	431470.68	609889.55	
8100.00	90.00	182.53	5265.00	-3077.92	-135.75	3080.92	0.00	431370.78	609885.15	
8200.00	90.00	182.53	5265.00	-3177.83	-140.16	3180.92	0.00	431270.87	609880.74	
8300.00	90.00	182.53	5265.00	-3277.73	-144.57	3280.92	0.00	431170.97	609876.33	
8400.00	90.00	182.53	5265.00	-3377.63	-148.97	3380.92	0.00	431071.07	609871.93	
8500.00	90.00	182.53	5265.00	-3477.53	-153.38	3480.92	0.00	430971.17	609867.52	
8600.00	90.00	182.53	5265.00	-3577.44	-157.78	3580.92	0.00	430871.26	609863.12	
8700.00	90.00	182.53	5265.00	-3677.34	-162.19	3680.92	0.00	430771.36	609858.71	
8800.00	90.00	182.53	5265.00	-3777.24	-166.60	3780.92	0.00	430671.46	609854.30	
8900.00	90.00	182.53	5265.00	-3877.15	-171.00	3880.92	0.00	430571.55	609849.90	
9000.00	90.00	182.53	5265.00	-3977.05	-175.41	3980.92	0.00	430471.65	609845.49	
9100.00	90.00	182.53	5265.00	-4076.95	-179.82	4080.92	0.00	430371.75	609841.08	
9200.00	90.00	182.53	5265.00	-4176.86	-184.22	4180.92	0.00	430271.84	609836.68	
9300.00	90.00	182.53	5265.00	-4276.76	-188.63	4280.92	0.00	430171.94	609832.27	
9356.10	90.00	182.53	5265.00	-4332.80	-191.10	4337.01	0.00	430115.90	609829.80	PBHL

Targets

Name	Description	TVD	N/S	E/W	Map Northing	Map Easting	Latitude	Longitude
Dip	Dir	ft	ft	ft	ft	ft	Deg Min Sec	Deg Min Sec
PBHL		5265.00	-4332.80	-191.10	430115.90	609829.80	32 10 55.227 N	103 58 42.008 W

Casing Points

MD	TVD	Diameter	Hole Size	Name
ft	ft	in	in	
574.00	574.00	0.000	0.000	Srfc. Csg.
3000.00	3000.00	0.000	0.000	Int. Csg.



Weatherford International Ltd.
WFT Plan Report - X & Y's



Weatherford

Company:	Occidental Permian Ltd.	Date:	3/7/2013	Time:	17:31:19	Page:	3
Field:	Eddy Co, NM (Nad 27)	Co-ordinate (NE) Reference:	Well: Cedar Canyon 27 #1H	Grid:	North		
Site:	Cedar Canyon 27 #1H	Vertical (TVD) Reference:	SITE 2944.0				
Well:	Cedar Canyon 27 #1H	Section (VS) Reference:	Well (0.00N 0.00E 182.53Azi)				
Wellpath:		Survey Calculation Method:	Minimum Curvature	Db:	Sybase		

Annotation

MD ft	TVD ft	
4692.04	4692.04	KOP
5592.04	5265.00	LP
9356.09	5265.00	PBHL

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
	0.00	Brushy Canyon A Sand		0.00	0.00

Field: Eddy Co, NM (Nad 27)

Map System: US State Plane Coordinate System 1927
Geo Datum: NAD27 (Clarke 1866)
Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone
Coordinate System: Well Centre
Geomagnetic Model: IGRF2010

CONDITIONS OF APPROVAL

Sundry dated 3/14/2013

OPERATOR'S NAME:	OXY USA Inc
LEASE NO.:	NM94651
WELL NAME & NO.:	1H Cedar Canyon 27 Federal Com
SURFACE HOLE FOOTAGE:	595' / FNL & 845' / FWL
BOTTOM HOLE FOOTAGE:	380' / FSL & 660' / FL
LOCATION:	Section 27, T.24 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

Original COA still applies with the following changes:

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

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

Medium cave/karst.

Possible lost circulation in the Delaware and Bone Spring formations.

1. The **11-3/4 inch** surface casing shall be set at approximately **435 feet** (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If the salt is penetrated, casing shall be set 25 feet 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.

2. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is:
(Ensure casing is set in the Lamar at approximately 2950')

☒ 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.**

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

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 run a CBL to verify TOC and submit to BLM.

EGF 032113