Form 3160-5
(June 2015)

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM19199

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: INJECTION

8. Well Name and No.
CAL-MON 5

2. Name of Operator
OXY USA INC.
Contact: DAVID STEWART
E-Mail: david_stewart@oxy.com

9. API Well No.
30-015-25640

3a. Address
P.O. BOX 50250
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 432-685-5717

10. Field and Pool or Exploratory Area
SWD DELAWARE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 35 T23S R31E SWNE 1980FNL 1980FEL
32.262692 N Lat, 103.746445 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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Workover Operations
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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 do the follwoing work.

Repair casing leaks in surface casing 8-5/8" from surface to 10' and casing leaks in production casing 5-1/2" at 8' and 950'.

PROPOSED PROCEDURE.
1. RUPU, NDWH, NU BOP, rel pkr, POOH w/ tbg & pkr.
2. RIH & set RBP @ 4388' & 148'
3. Fill Production Casing with kill fluid
4. Dig out area around wellhead
5. Remove existing wellhead
6. Cut surface casing to about 14' (area of good casing), replace corroded section with new casing

Accepted for record - NMOCD 4-5-17

NM OIL CONSERVATION
ARTESIA DISTRICT
APR 04 2017
RECEIVED

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

Electronic Submission #368274 verified by the BLM Well Information System
For OXY USA INC., sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/01/2017 ()

Name *(Printed/Typed)* DAVID STEWART — Title SR. REGULATORY ADVISOR

Signature (Electronic Submission) — Date 02/27/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
MAR 3 2017
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 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)

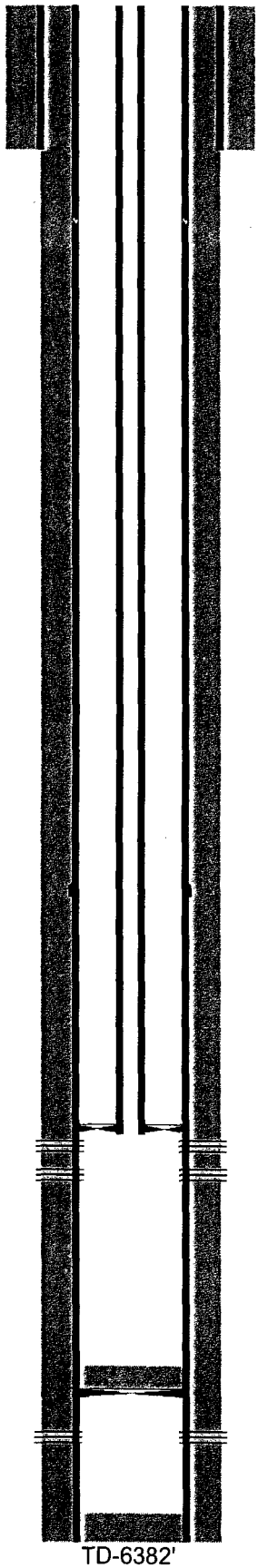
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #368274 that would not fit on the form

32. Additional remarks, continued

and weld w/ collar to existing surface casing string
7. Test new casing to 500 psi for 15min
8. Cut production casing to about 10' (area of good casing), replace corroded section with new casing and weld w/ collar to existing production casing string
9. Test new casing to 500 psi for 15 min
10. Replace existing wellhead with new 5000K-10000k wellhead
11. Fill back in area around well head
12. Set 5-1/2" Casing in the slips in the new weld-on well-head.
13. POOH w/ RBP at 148'
14. Perform cement squeeze on deep (950') holes
15. Test casing from 4388' to surface to 500psi for 15 mins.
16. Remove RBP at 4388' and move to top of existing perfs.
17. Test casing to 500 psi for 15 mins.
18. Run CBL from top of perfs to surface for BLM or state
19. Retrieve RBP
20. RIH with 2-7/8" (OD) Duoline tubing & 5-1/2" Packer and set at 4388'
21. Notified BLM/NMOCD 24 hrs prior to running MIT
22. RU chart, run MIT for 30mins.
23. Return well it to operations.

OXY USA Inc. - Current
Cal-Mon #5
API No. 30-015-25640



12-1/4" hole @ 554'
8-5/8" csg @ 554'
w/ 350sx-TOC-Surf-Circ

8/15-Sqz csg lk @ 972-975' w/ 150sx cmt

2-7/8" tbg w/ pkr @ 4387'

Perfs @ 4931-5148'

7-7/8" hole @ 6382'
5-1/2" csg @ 6382'
DVT @ 3783'
1st w/ 750sx-TOC-3780'-Circ
2nd w/ 1080sx-TOC-Surf-Circ

8/93-CIBP @ 5875' w/ 35' cmt

Perfs @ 6061-6077'

TD-6382'

Conditions of Approval

Oxy USA Inc
Cal-Mon - 05, API 3001525640
T23S-R31E, Sec 35, 1980FNL & 1980FEL
March 03, 2017

1. **Operator received verbal approval for procedure 03/~~07~~01/2017.**
2. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
3. Subject to like approval by the New Mexico Oil Conservation Division.
4. Tag with tbg the cmt cap on the CIBP set at 5875 and set a minimum 25 sack Class C cement balanced plug just above that tag at 5250 or above. WOC 4 hours and tag the plug with tbg. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft^3/sx, 6.3gal/sx water. and "H" to be mixed 16.4#/gal, 1.06ft^3/sx, 4.3gal/sx water.
5. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 5050 or below to top of cement taken with 0psig casing pressure. The CBL may be attached to a pswartz@blm.gov email.**
6. Surface disturbance beyond the existing pad shall have prior approval.
7. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
8. Functional H_2S monitoring equipment shall be on location.
9. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
10. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
11. After setting the top plug and before perforating, **perform a charted casing integrity test** of 1000psig minimum. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 75 per cent of its full range. **Verify all annular casing vents are plumbed to the surface and open during this pressure test. Call BLM 575-361-2822 and request a BLM witness of that pressure test.** Include a copy of the chart in the subsequent sundry for this workover.

12. The subsequent report is to include workover stimulation injection pressures. Report maximum/minimum injection rate (BPM) and max/min stimulation injection pressures (psig).
13. Workover approval is good for 90 days (completion to be within 90 days of approval).
14. Submit a (BLM Form 3160-**5** subsequent report (daily reports) via BLM's Well Information System; https://www.blm.gov/wispermits/wis/SP describing all wellbore activity. File the form within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.

Well with a Packer - Operations

1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established.
2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). **Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test.** An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
3) Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 75 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
4) Make arrangements 24 hours before the test for BLM to witness. In Eddy County phone 575-361-2822. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number.
5) The setting depths and descriptions of inside casing injection equipment is to be included in the subsequent sundry.
6) Compliance with a NMOCD Administrative Order is required.
   a) Approved injection pressure compliance is required.
   b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
   c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.

7) Stimulation injection pressures are not to exceed BLM's permitted wellhead pressure or the well's frac pressure established by a BLM approved step rate test for Class II water injection wells.
8) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
9) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
10) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
11) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
12) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
13) Gain of annular fluid pressure requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia.
14) Class II (production water disposal) wells will not be permitted Stimulation Pressures or "Injectivity Tests" that exceed the NMOCD/BLM generic frac pressure which is: .2 x ft depth to the topmost injection or 50psig below the frac point as clearly indicated by a BLM accepted "Step Rate Test".
15) A NOI sundry shall be submitted to the BLM for the purpose of applying for increased disposal wellhead pressure prior to running a "Step Rate Test". An injectivity test ran to determine the disposal rate at 0.2 x the depth of the top perforation requires no sundry.
16) The subsequent report is to include all stimulation injection pressures. Report maximum/minimum injection rate (BPM) and max/min stimulation injection pressures (psig).
17) Submit a (BLM Form 3160-**5** subsequent report (daily reports) via BLM's Well Information System; https://www.blm.gov/wispermits/wis/SP describing (dated daily) all wellbore activity including the Mechanical Integrity Test chart document.