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

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

Form C-103
Revised July 18, 2013

| | |
|---|---|
| WELL API NO.<br>30-015-41251 | |
| 5. Indicate Type of Lease<br>STATE ☒ FEE ☐ | |
| 6. State Oil & Gas Lease No.<br>VA-0836-0001 | |
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(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.)<br>1. Type of Well: Oil Well ☒ Gas Well ☐ Other | 7. Lease Name or Unit Agreement Name<br>Cedar Canyon 16 State |
| | 8. Well Number 7H |
| 2. Name of Operator<br>OXY USA Inc. | 9. OGRID Number<br>16696 |
| 3. Address of Operator<br>P.O. Box 50250, Midland, TX 79710 | 10. Pool name or Wildcat<br>Pierce Crossing; Bone Spring East |
| 4. Well Location<br>Unit Letter E : 2485 feet from the North line and 330 feet from the West line<br>Section 15 Township 24S Range 29E NMPM County Eddy | |
| | 11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*<br>2926' GR |

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

| NOTICE OF INTENTION TO: | | | | SUBSEQUENT REPORT OF: | | | |
|---|---|---|---|---|---|---|---|
| PERFORM REMEDIAL WORK | ☐ | PLUG AND ABANDON | ☐ | REMEDIAL WORK | ☐ | ALTERING CASING | ☐ |
| TEMPORARILY ABANDON | ☐ | CHANGE PLANS | ☐ | COMMENCE DRILLING OPNS. | ☐ | P AND A | ☐ |
| PULL OR ALTER CASING | ☐ | MULTIPLE COMPL | ☐ | CASING/CEMENT JOB | ☐ | | |
| DOWNHOLE COMMINGLE | ☐ | | | | | | |
| CLOSED-LOOP SYSTEM | ☐ | | | | | | |
| OTHER: Convert to Injection | ☒ | | | OTHER: | ☐ | | |

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.

Pursuant to NMOCD Order No. R-14322

NM OIL CONSERVATION
ARTESIA DISTRICT
APR 26 2017
RECEIVED

- MIRU and POOH w/ pumping rods
- NDWH and NUBOP, unseat TAC, POOH w/ tbg and scan w/ hydrotester
- RIH w/ 4.75" bit and 5.5" scraper to 8700', 4.75" bit to PBTD 13641', clean out wellbore
- RIH and set pkr @ 8496'
- Pressure test csg and pkr to 1500 psi
- Circulate well w/ 200 BBLs FW
- RIH w/ 2-3/8" tbg, 2-3/8" mule shoe, 3" seal assembly, 2-3/8" gauge assembly, 2-7/8" tbg and sting into pkr
- ND BOP, NU production tree
- Pressure test csg and tbg to 1500 psi, RIH w/ BHA, chisel, stem to break pkr disk
- RD PU, clean location, move off location
- Notify NMOCD of mechanical integrity test 72 hrs in advance
- RU pump truck, pressure test to 500 psi for 30 min.

Please see attached for further detail and wellbore diagram.

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 Sarah Mitchell TITLE Regulatory Specialist DATE 4/18/2017

Type or print name Sarah Mitchell E-mail address: sarah_mitchell@oxy.com PHONE: 432-699-4318

**For State Use Only**

APPROVED BY: Richard Inge TITLE Compliance Officer DATE 4/27/17
Conditions of Approval (if any):

**Attachment C-103**
**Cedar Canyon 16 State #7H – 30-015-41251**

**RECOMMENDED PROCEDURE:**

1. MIRU pulling unit and Reverse Unit.
2. Ensure the well is dead. Kill the well with fresh water or 10# brine if required.
3. Unhang well.

**PULL ROD STRING**

4. LD polished rod and pony rods.
5. RU Rig floor and rod tongs. Install rod stripper.
6. POH LD rod string and insert pump. Report any deposits found.

**PULL SCANNING TUBING STRING**

7. ND wellhead and NU BOP.
8. RU Rig floor and tubing tongs.
9. Unseat TAC.
10. RU hydrostatic scanalog tubing tester.
11. POH in stands scanning 2-7/8" tubing. Report any deposits found.
12. LD sand screen and bull plug. RD scanalog tubing tester.

**CLEAN THE WELL**

13. RIH 4.75" bit and 5.5" (4.625" OD) casing scrapper to 8,700' MD. POH.
14. RIH 4.75" bit and junk basket to PBTD at 13,641' MD (82°). Use 2-7/8" L-80 6.5#/ft EUE tubing from surface to 8,700' (60°) and 2-3/8" 4.7#/ft PH-6 from 8,700' to 13,641'.
15. Circulate hole clean. POH 2-7/8" EUE in stands and LD 2-3/8" PH-6 tubing.

**RUN PERMANENT PACKER**

16. PU the following permanent packer assembly (from bottom up): 2-3/8" wireline entry guide, 2-3/8" Dual Ceramic Shear Disc, XN profile No-Go 1.87" with 2-3/8" EUE BxP, 6' x 2-3/8" OD, 4.7#, L-80 with 2-3/8" EUE BxP Pup Joint, Watson seal bore extension 4.5" OD x 3" ID with 2-3/8" EUE, Watson 5.5" x 3.00" Permapak Seal Bore Packer
17. Connect to Model H Hydraulic Setting Tool #20 and RIH on 2-7/8" EUE L-80 6.5#/ft tubing to 8,518' MD
18. Pump 10 bbls linear gel (70 visc) followed by fresh water to 8,518' MD.
19. Set packer at 8,496' MD (36°) as follows: Drop the ball down the tubing to its seat in the support sleeve of the hydraulic setting tool. Apply 1,200 psi to shear the shear screws in the support sleeve and close off the top sub ports.
20. Continue to hold a minimum of 800 psi to force the pistons and cross link sleeve downward. The setting mandrel remains stationary while the cross link sleeve forces the WLAK and the packer or plug body downward. The resulting squeeze action applied to the packer or plug forces the slips to set and the elements to pack off. Apply tension and/or pump pressure to complete setting of the packer or plug and releasing of the pressure setting assembly.
21. With tubing open, pressure up casing to 1,500 psi to ensure packer is set.
22. Pick up on the work string to remove the hydraulic setting assembly from the well. As the pistons move downwards, cylinder ports open to allow the fluid in the tubing to unload.
23. Circulate 200 bbls of fresh water. POH with 2-7/8" tubing. LD setting tool.

**GAS INJECTION RUN**

24. MIRU Hydrotester
25. Pick up Watson mule and GL BHA "as described in the Well-bore Diagram" proposed below. Verify GL and DH gauge with Weatherford and Schlumberger personnel:
26. RIH with GL assembly "as described in the Well-bore Diagram" proposed banding with 40 Boss clamps (for DHG) in the bottom joints and with 3 monel bands per joint and testing cable (SLB DHG readings) every 30 joints.
27. Hydrotest the tubing while RIH to 5,000 psi.
28. Prior to sting in mule shoe onto packer, circulate a full wellbore of filtered fresh water and then a full wellbore of packer fluid to ensure wellbore is clear of any debris. Ensure returns are clean with no kill fluid remaining downhole.
    Packer fluid consist of: Water, Corrosion Inhibitor, Surfactant, Oxygen Scavenger
29. Sting in onto packer. Apply 10k of compression down on packer. Space out 2 ft. Pressure up casing to 1,500 psi to ensure good seal with the packer.
30. Space out and set tubing hanger. NOTE: Schlumberger tech will be on location to connect the cable through the tubing hanger.
31. Install pressure gauge on casing side and pressure test tubing and packer assembly.
32. Pressure up annulus to 1,500 psi and hold for 10 minutes. Observe for any communication between casing and tubing. Release pressure.
33. Pressure up the production tubing to 1,500 psi and hold for 10 minutes- observe for any communication between casing and tubing.
    NOTE: If casing pressure remains zero and the casing and tubing do not equalize, packer, dummy, and tubing are holding. Continue to next steps. If pressure equalizes, call PE for further instruction.

**INSTALL PRODUCTION TREE**

34. MIRU Cameron to install 2.5" type "H" BPV in tubing hanger
35. Confirm BPV is secure. ND BOP and nipple up production tree consisting of appropriate adapter 2 (two) full open master valves, and 1 (one) full opening crown valve above flow line outlet. Install bleed valve and 0-10,000# pressure gauge in tree cap.
36. Pull BPV, Install Two Way Check
37. Pressure test tree to 10,000 psi
38. Pull Two Way Check after testing production tree.
39. Open master valve and swab valves.
40. Pressure up tubing to 1,500 psi for 15 minutes (make sure we have a reading from downhole gauge.

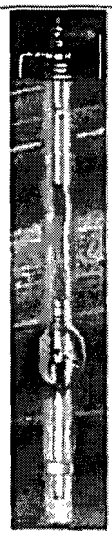
**BREAK PACKER DISK**

41. MIRU Slickline and 5M Pressure Control Equipment (PCE)
42. RIH to break shear disk at 8,516' MD with 3/4" chisel, Spang jars, 10' 1-1/2 stem
43. RIH with the BHA above, prior breaking the disk apply ~1,000 psi (balancing for pressure below the disk and keep the tension of the disk)
44. Break packer disk
45. Verify that disks are broken- record pressure
46. RDMO Slickline and 5M PCE
47. Turn over to Production.
48. RDMO Pulling Unit.
49. Notify NMOCD of mechanical integrity test, 72 hrs in advance
50. RU Pump truck, pressure test to 500psi for 30 min.

# Proposed Wellbore Diagram
## CEDAR CANYON 16 STATE #7H

11-3/4"; 42#; H-40; casing shoe at 335' (Circ cement to surface)

8-5/8"; 32#; J-55; casing shoe at 3095' (Circ cement to surface)

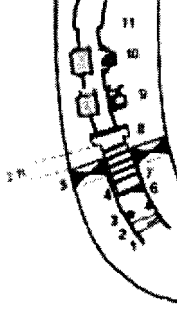


DOWNHOLE GAUGE

CLAMPS

| | Description | Length | Top | Bottom | Angle |
|---|---|---|---|---|---|
| | KB | 24.0 | | 24.0 | |
| | Tubing hanger | 1.0 | 24.0 | 25.0 | |
| | 2 7/8" tubing L-80 6.5#/ft EUE B&P | 8362.0 | 25.0 | 8387.0 | |
| 11 | X/Over 2-7/8" x 2-3/8" EUE | 1.0 | 8387.0 | 8388.0 | 24° |
| | 1 jt x 2-3/8" tubing L-80 4.7#/ft EUE B&P | 31.0 | 8388.0 | 8419.0 | |
| 10 | Weatherford SPM with 2-3/8" EUE BxP (DUMMY. Later will change by 1/4" Orifice) | 6.0 | 8419.0 | 8425.0 | 26° |
| | 1 jt x 2-3/8" tubing L-80 4.7#/ft EUE B&P | 31.0 | 8425.0 | 8456.0 | |
| 9 | SLB DOWNHOLE GAUGE CTS | 5.0 | 8456.0 | 8461.0 | 30° |
| | 1 jt x 2-3/8" tubing L-80 4.7#/ft EUE B&P | 31.0 | 8461.0 | 8492.0 | |
| 8 | Watson tubing locator sub assy 2-3/8" EUE with 2 seal units 3" OD x 2.375" ID | 4.0 | 8492.0 | 8496.0 | 36° |
| 7 | Watson Seal units 3" OD x 2.375" ID | 8.0 | 8496.0 | 8504.0 | 36° |
| 6 | Watson half mule shoe seal unit 3" OD x 2.375" ID | 1.0 | 8504.0 | 8505.0 | |
| | | | | | |
| | Note: Tubing locator space out 2' above top of packer | | | | |
| | | | | | |
| | | | | | |
| 5 | Watson 5.5" x 3.00" Permapak Seal Bore Packer | 3.0 | 8496.0 | 8499.0 | 36° |
| 4 | Watson Seal Bore Extension 4.5" OD x 3" ID with 2-3/8" EUE | 10.0 | 8499.0 | 8509.0 | |
| | 2 3/8" pup joint 4.7# L-80 EUE BxP | 6.0 | 8509.0 | 8515.0 | |
| 3 | XN profile No-Go 1.87" with 2-3/8" EUE BxP | 1.0 | 8515.0 | 8516.0 | 36° |
| 2 | 2-3/8" ceramic disk | 1.0 | 8516.0 | 8517.0 | |
| 1 | 2-3/8" Wire line entry guide | 1.0 | 8517.0 | 8518.0 | 36° |

KOP at 7756' (MD) / 7753' (TVD)



| Stage 6 | Stage 5 | Stage 4 | Stage 3 | Stage 2 | Stage 1 |
|---|---|---|---|---|---|
| 9,200' | 9,950' | 10,710' | 11,470' | 12,230' | 12,990' |
| 9,380' | 10,140' | 10,900' | 11,660' | 12,420' | 13,180' |
| 9,570' | 10,330' | 11,090' | 11,850' | 12,610' | 13,370' |
| 9,760' | 10,520' | 11,280' | 12,040' | 12,800' | 13,560' |

Six stages frac performed on 6/12/2013

PERFS at 9200' - 13560'

5-1/2" 17# L-80 Buttress casing shoe at 13725' MD/ 8644' TVD
Circulate cement to surface
PBTD at 13641'