

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

NM OIL CONSERVATION
ARTESIA DISTRICT
1220 South St. Francis Dr.
Santa Fe, NM 87502
8/21/2017

WELL API NO. 30-015-42683
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-0836-0001
7. Lease Name or Unit Agreement Name Cedar Canyon 16 State
8. Well Number 12H
9. OGRID Number 16696
10. Pool name or Wildcat Pierce Crossing; Bone Spring East
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2926.4

SUNDRY NOTICES AND REPORTS ON WELLS RECEIVED
(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.)

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

2. Name of Operator

OXY USA Inc.

3. Address of Operator

P.O. Box 50250, Midland, Texas 79710

4. Well Location

Unit Letter M: 900 feet from the South line and 860 feet from the West line
Section 15 Township 24S Range 29E NMPM County Eddy

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: Convert to Injection ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
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 Order No. R-14322, OXY USA Inc. respectfully requests to convert the Cedar Canyon 16 State #12H from a producing well to an injection well for the first stage of the "huff and puff" portion of the Cedar Canyon Pressure Maintenance Pilot Project.

Notify NMOCD of mechanical integrity test at least 72 hours before test. RU slick line. RIH & set guage ring, standing valve, and X nipple @ 8609'. Close swab valve and tbq wing valve. Pump 170 BBLs treated water down csg to fill annular and tbq. Incrementally add pressure to tbq up to 1000 psi and monitor csg pressure. Close tbq wing valve while keeping 1000 psi in tbq. Pressure csg up to 600 psi and hold for 30 minutes, record on pressure chart, release pressure. POOH w/ standing valve and X nipple. RD slick line, connect gas lift line to annular and tbq to flowline.

Please see the attached wellbore diagram and rigless operation procedure.

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 8/18/2017

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

For State Use Only

APPROVED BY: Russell Ingram TITLE COMPLIANCE OFFICER DATE 8/29/17
Conditions of Approval (if any):

CEDAR CANYON 16 STATE 12H INJECTION CONVERSION--RIG LESS OPERATION PROCEDURE

- 1- Turn off gas lift compressor.
- 2- Release casing pressure to minimum as possible to the battery.
- 3- Release tubing pressure to the battery.

Set blanking plug

- 4- Rig up slick line unit above swab valve.
- 5- RIH 1.9" gauge ring to 8609'. POH,
- 6- RIH and set 1.87" standing valve at X nipple at 8609'. POH.
- 7- Close swab valve and close tubing wing valve.

Test gas lift valves checks integrity

- 8- Connect pump truck lines to the wellhead casing valve.
- 9- Test surface lines to 3,000 psi
- 10- Pump +/- 170 bbls of treated water down casing at 2 bpm and max 800 psi. The plan is fill all the annular and tubing with treated water.
Annular capacity: $8,609 \text{ ft} \times 0.0152 \text{ Bbls/ft} = 131 \text{ Bbls}$
Tubing capacity: $8,609 \text{ ft (assuming tubing empty)} \times 0.00579 \text{ Bbls/ft} = 50 \text{ Bbls}$
- 11- Change pump to tubing side.
- 12- Pressure up tubing to 200 psi and monitor casing pressure. After 5 minutes increase to 400 psi and monitor casing pressure.
- 13- Repeat this procedure in 200 psi intervals until reach 1,000 psi. If no pressure increase is observed in the casing, the check valves test is considered successful.

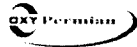
Casing MIT

NOTIFIED NMOCD OF CASING INTEGRITY TEST 72 HRS IN ADVANCE

- 14- Close tubing wing valve keeping the 1,000 psi in the tubing.
- 15- Change pump truck to casing side.
- 16- Pressure up casing to 200 psi. After 5 minutes increase to 400 psi. After 5 minutes increase to 600 psi for 30 minutes. Need to install a pressure chart for this pressure test.
- 17- Release pressure.
- 18- Rig down pump truck.

Pull the blanking plug

- 19- RIH and retrieve 1.87" standing valve at X nipple at 8609'. POH,
- 20- RD slick line unit.
- 21- Connect gas lift line to the annular and tubing to the flowline.
- 22- Inject gas down annular, unload the well and put on production with gas lift.
- 23- We can continue producing the well until the surface lines and connections are ready to start the gas injection.



Current Wellbore Diagram
CEDAR CANYON 16 STATE #12H

Inst Date: 09/28/2016

