

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

<p>SUNDRY NOTICES AND REPORTS ON WELLS (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.)</p>		<p>WELL API NO. 30- 015-39856</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator OXY USA Inc.</p>		<p>6. State Oil & Gas Lease No. VA-0836-0001</p>
<p>3. Address of Operator P.O. Box 50250 Midland, TX 79710</p>		<p>7. Lease Name or Unit Agreement Name Cedar Canyon 16 State</p>
<p>4. Well Location Unit Letter <u>D</u> : <u>380</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>16</u> Township <u>24S</u> Range <u>29E</u> NMPM County <u>Eddy</u></p>		<p>8. Well Number <u>14</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>2927'</u></p>		<p>9. OGRID Number 16696</p>
<p>10. Pool name or Wildcat Pierce Crossing Bone Spring East</p>		

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 type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <u>Liner, Pent, Frac</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 NM: For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached

NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 18 2018

RECEIVED

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 1/16/18

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

For State Use Only

APPROVED BY: [Signature] TITLE Staff Mgr DATE 1-18-18
Conditions of Approval (if any):

OXY USA Inc.- Cedar Canyon 16 State 1H – 30-015-39856

Well Prep Procedure:

- MIRU PU and rig equipment
- Ensure well is dead
- MU tubing equipment and POOH w/2-7/8" tubing and rod pump send to yard for inspection
- RIH with cleanout BHA
- RU power swivel if needed and cleanout to PBDT (use air foam unit/ nitrogen for circulation if needed)
- POOH with BHA and work string
- RIH with work string to 7000' and test casing to 6200# or max treating pressure, whichever is lower.
- Bleed off pressure and RBIH to latch on RBP, release RBP and begin POOH LD w/ RBP, Packer and 2-7/8" tbg
- RIH w/ 4" 11# P110 FJ liner set @ approximately 6841–11418' followed by 4-1/2" 11.6 # P110 FJ casing to surface. Cemented with slim tail cement

Well Prep-Coil tubing TCP and stimulation operation

- Conduct pre-job safety meeting – discuss scope of work and hazard
- Check wellhead pressure and bleed off pressure if any to grounded flowback tank
- MIRU Cameron WH Company and equipment.
- Install 10M frac stack on wellhead
- MIRU 2"CTU with TCP guns
- RIH with TCP guns and perforate stage 1 with 4 cluster
- Spot 7.5% HCl acid and breakdown stage 1
- RDMO 2"CTU.
- MIRU frac and WL company
- Frac stage 1 per the pump schedule below
- RIH with WL and plug & perf for stage 2 and frac afterwards
- Repeat process for the remaining stages (estimated 17 total stages) – Proposed total perms @ 7879-11365' and Frac w/ 321757g Slickwater w/ 300000# sand, see attached for details.
- RDMO frac and WL company

Well Clean out and Flowback Procedure

- Hold Pre-job safety meeting, discuss scope of work and hazards
- Check well head pressure- bleed off pressure if any to grounded flowback tank
- MIRU 2" CT unit, PU 3-1/2" JZ bit, (Mohawk liner, 4.25"OD, RIH and DO plugs and CO to PBDT
- Circulate hole clean w/ N2 if needed
- RDMO CT unit
- Open to Flowback
- After Flowback turn the well over to operation, shoot and recover 4-1/2" casing @ approximately @ 6841' to be able to utilize larger artificial lift for the life of the well
- An artificial lift procedure will be provided once flowback operations completed.

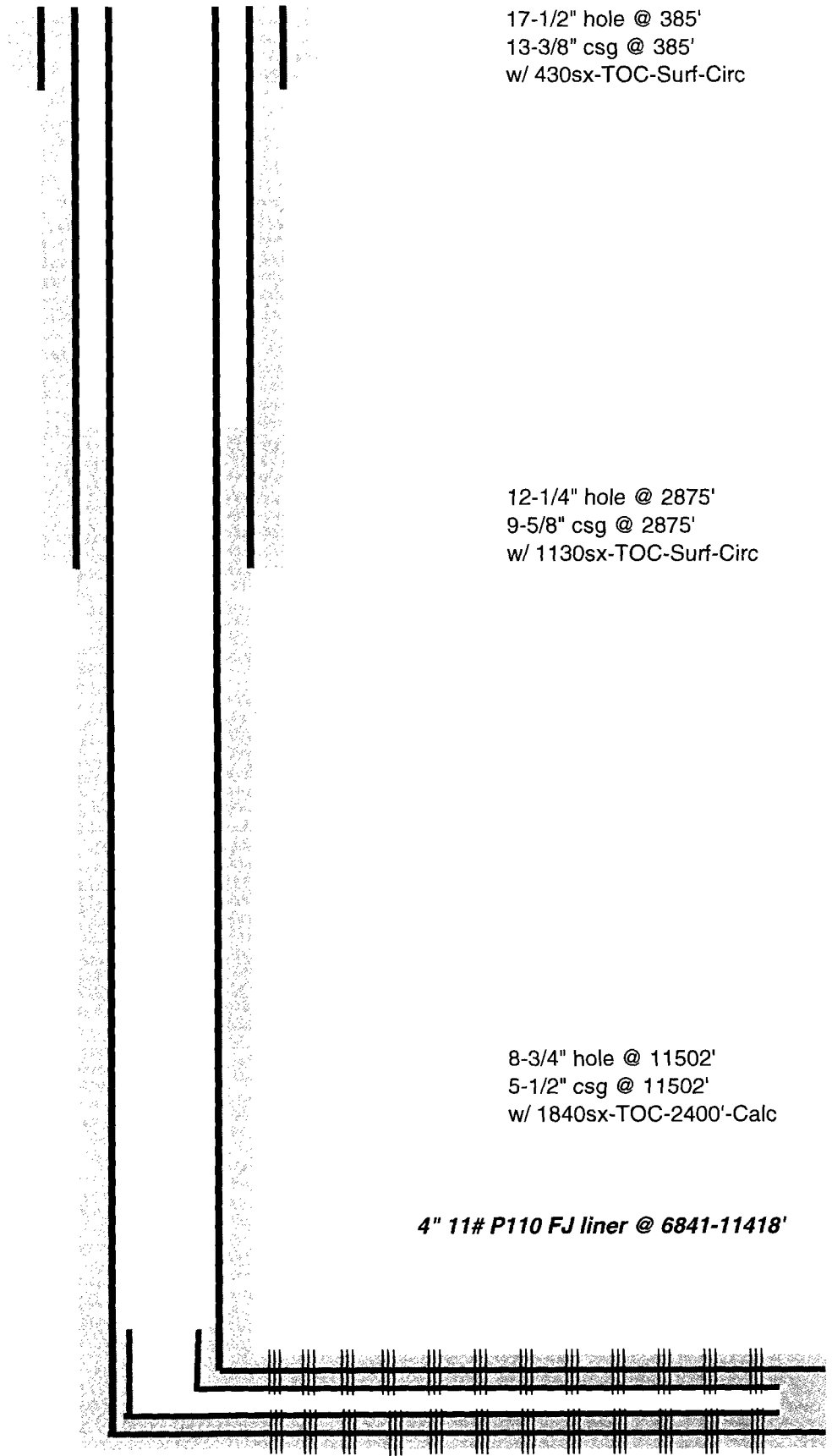
Propose Perforation & Plug Depth

PLUGS AND PERFORATIONS		Interval 1	Interval 2	Interval 3	Interval 4	Plug
		2	2	2	2	
		8	8	8	8	
Float Collar		11415	0			
Stage 1 Perfs, 4 guns loaded @ 50 degree phasing	Top	11207	11259	11311	11363	11390
	Bottom	11209	11261	11313	11365	
Stage 2 Perfs, 4 guns loaded @ 50 degree phasing	Top	10999	11051	11103	11155	11182
	Bottom	11001	11053	11105	11157	
Stage 3 Perfs, 4 guns loaded @ 50 degree phasing	Top	10791	10843	10895	10947	10974
	Bottom	10793	10845	10897	10949	
Stage 4 Perfs, 4 guns loaded @ 50 degree phasing	Top	10583	10635	10687	10739	10766
	Bottom	10585	10637	10689	10741	
Stage 5 Perfs, 4 guns loaded @ 50 degree phasing	Top	10375	10427	10479	10531	10558
	Bottom	10377	10429	10481	10533	
Stage 6 Perfs, 4 guns loaded @ 50 degree phasing	Top	10167	10219	10271	10323	10350
	Bottom	10169	10221	10273	10325	
Stage 7 Perfs, 4 guns loaded @ 50 degree phasing	Top	9959	10011	10063	10115	10142
	Bottom	9961	10013	10065	10117	
Stage 8 Perfs, 4 guns loaded @ 50 degree phasing	Top	9751	9803	9855	9907	9934
	Bottom	9753	9805	9857	9909	
Stage 9 Perfs, 4 guns loaded @ 50 degree phasing	Top	9543	9595	9647	9699	9726
	Bottom	9545	9597	9649	9701	
Stage 10 Perfs, 4 guns loaded @ 50 degree phasing	Top	9335	9387	9439	9491	9518
	Bottom	9337	9389	9441	9493	
Stage 11 Perfs, 4 guns loaded @ 50 degree phasing	Top	9127	9179	9231	9283	9310
	Bottom	9129	9181	9233	9285	
Stage 12 Perfs, 4 guns loaded @ 50 degree phasing	Top	8919	8971	9023	9075	9102
	Bottom	8921	8973	9025	9077	
Stage 13 Perfs, 4 guns loaded @ 50 degree phasing	Top	8711	8763	8815	8867	8894
	Bottom	8713	8765	8817	8869	
Stage 14 Perfs, 4 guns loaded @ 50 degree phasing	Top	8503	8555	8607	8659	8686
	Bottom	8505	8557	8609	8661	
Stage 15 Perfs, 4 guns loaded @ 50 degree phasing	Top	8295	8347	8399	8451	8478
	Bottom	8297	8349	8401	8453	
Stage 16 Perfs, 4 guns loaded @ 50 degree phasing	Top	8087	8139	8191	8243	8270
	Bottom	8089	8141	8193	8245	
Stage 17 Perfs, 4 guns loaded @ 50 degree phasing	Top	7879	7931	7983	8035	8062
	Bottom	7881	7933	7985	8037	

Propose Pump schedule

Slickwater 2 (5,000 ft)		1500 #/ft 50 ft x 4 Clusters Slickwater Reduced Fluid									
		Fluid Information						Proppant Information			
#	Time [min]	Type	Rate [bpm]	Clean [gals]	Dirty [gals]	Cum. Dirty [gals]	Description	Prop. Conc. [PPA]	Description	Stage Sand [lbs]	Cum. Sand [lbs]
1	0.79	Acid	30	1000	1,000	1,000	7.5% HCl			-	-
2	6.08	Pad	90	15000	20,000	21,000	Slick Water			-	-
3	9.61	Sand-Laden	90	10000	13,635	34,634	Slick Water	0.50	100 Mesh	5,000	5,000
4	13.84	Sand-Laden	90	12000	16,543	51,177	Slick Water	0.75	100 Mesh	9,000	14,000
5	19.14	Sand-Laden	90	15000	20,904	72,081	Slick Water	1.00	100 Mesh	15,000	29,000
6	26.19	Sand-Laden	90	20000	28,174	100,255	Slick Water	1.25	100 Mesh	25,000	54,000
7	36.42	Sand-Laden	90	29000	41,290	141,545	Slick Water	1.50	100 Mesh	43,500	97,500
8	47.00	Sand-Laden	90	30000	43,166	184,711	Slick Water	1.75	100 Mesh	52,500	150,000
9	52.29	Sweep	90	15000	20,904	205,616	Slick Water	1.00	40/70 White	15,000	165,000
10	57.58	Sand-Laden	90	15000	21,131	226,746	Slick Water	1.25	40/70 White	18,750	183,750
11	64.64	Sand-Laden	90	20000	28,476	255,222	Slick Water	1.50	40/70 White	30,000	213,750
12	72.75	Sand-Laden	90	23000	33,094	288,316	Slick Water	1.75	40/70 White	40,250	254,000
13	80.86	Sand-Laden	90	23000	33,441	321,757	Slick Water	2.00	40/70 White	46,000	300,000
14	0.00	Flush	90				Slick Water		(Flush to Top Perf)		300,000

OXY USA Inc. - Proposed
Cedar Canyon 16 State #1H
API No. 30-015-39856



17-1/2" hole @ 385'
13-3/8" csg @ 385'
w/ 430sx-TOC-Surf-Circ

12-1/4" hole @ 2875'
9-5/8" csg @ 2875'
w/ 1130sx-TOC-Surf-Circ

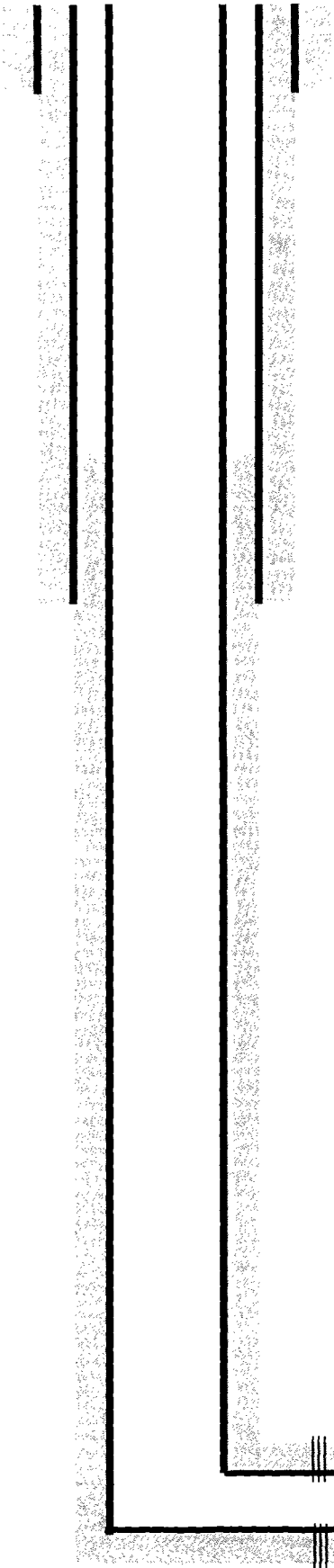
8-3/4" hole @ 11502'
5-1/2" csg @ 11502'
w/ 1840sx-TOC-2400'-Calc

4" 11# P110 FJ liner @ 6841-11418'

Perfs @ 7879-11365'
Original Perfs @ 8620-11201'

TD-11502'M 7685'V

OXY USA Inc. - Current
Cedar Canyon 16 State #1H
API No. 30-015-39856



17-1/2" hole @ 385'
13-3/8" csg @ 385'
w/ 430sx-TOC-Surf-Circ

12-1/4" hole @ 2875'
9-5/8" csg @ 2875'
w/ 1130sx-TOC-Surf-Circ

8-3/4" hole @ 11502'
5-1/2" csg @ 11502'
w/ 1840sx-TOC-2400'-Calc

Perfs @ 8620-11201' TD-11502'M 7685'V