

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMNM59386

6. If Indian, Ahttee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 6

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other		8. Well Name and No. Multiple--See Attached
2. Name of Operator OXY USA INCORPORATED Contact: DAVID STEWART E-Mail: david_stewart@oxy.com		9. API Well No. Multiple--See Attached
3a. Address 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521	3b. Phone No. (include area code) Ph: 432.685.5717	10. Field and Pool or Exploratory Area PIERCE CROSSING-BONE SPRING, E
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		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 Change to Original A PD
	☐ 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 recomple 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 recomple 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 amend the APD for the following wells. All three wells will have a similar design. The specific details (i.e. depths, cement volumes, etc?) attached are for the 25H. The 24H and 26H wells flank the 25H on the pad and will have slightly deeper intermediate and production casing points.

Corral Canyon 36-25 Federal Com #25H - 30-015-44635 - NMNM59386
Corral Canyon 36-25 Federal Com #24H - 30-015-44634 - NMNM59386
Corral Canyon 36-25 Federal Com #26H - 30-015-44636 - NMNM59386

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

1. Amend the surface, intermediate, and production casings size, type, and depth, see attached.
2. Amend the surface, intermediate and production casing cementing program, see attached.

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 12 2018

14. I hereby certify that the foregoing is true and correct. Electronic Submission #406022 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by MUSTAFA HAQUE on 03/07/2018 (18MH0030SE)		RECEIVED
Name (Printed/Typed) DAVID STEWART	Title REGULATORY ADVISOR	
Signature (Electronic Submission)	Date 02/28/2018	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By MUSTAFA HAQUE	Title PETROLEUM ENGINEER	Date 03/07/2018
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.

(Instructions on page 2)

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

Additional data for EC transaction #406022 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM59386	NMNM59386	CORRAL CANYON 36-25 FED CO	002015-44635-00-X1	Sec 1 T25S R29E 940FNL 1248FEL 32.163986 N Lat, 103.933487 W Lon
NMNM59386	NMNM59386	CORRAL CANYON 36-25 FED CO	002015-44634-00-X1	Sec 1 T25S R29E 940FNL 1283FEL 32.163986 N Lat, 103.933601 W Lon
NMNM59386	NMNM59386	CORRAL CANYON 36-25 FED CO	002015-44636-00-X1	Sec 1 T25S R29E 940FNL 1213FEL 32.163986 N Lat, 103.933372 W Lon

32. Additional remarks, continued

3. Amend the pressure control equipment due to casing size changes, see attached.

4. Amend the mud program, depth and type, see attached.

OXY respectfully requests a variance for annular clearance around production tubular couplings in the open hole interval comprised of the curve and lateral portions of the well. The production string clearance inside the intermediate string meets the requirements for >0.422in clearance as shown in the table below. The clearances for the production string are as follows:

5-2/2" 20# P110 DQX casing - Coupling OD-6.05'

Casing ID - 7-5/8" 26.4# L-80 BTC casing - Clearance .04595

Open Hole ID - 6-3/4" - Clearance 0.35

Revisions to Operator-Submitted EC Data for Sundry Notice #406022

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMNM59386	NMNM59386
Agreement:		
Operator:	OXY USA INC P.O. BOX 50250 MIDLAND, TX 79710 Ph: 432-685-5717	OXY USA INCORPORATED 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521 Ph: 713.350.4816
Admin Contact:	DAVID STEWART SR. REGULATORY ADVISOR E-Mail: david_stewart@oxy.com Cell: 432-634-5688 Ph: 432-685-5717	DAVID STEWART REGULATORY ADVISOR E-Mail: david_stewart@oxy.com Ph: 432.685.5717
Tech Contact:	DAVID STEWART SR. REGULATORY ADVISOR E-Mail: david_stewart@oxy.com Cell: 432-634-5688 Ph: 432-685-5717	DAVID STEWART REGULATORY ADVISOR E-Mail: david_stewart@oxy.com Ph: 432.685.5717
Location:		
State:	NM	NM
County:	EDDY	EDDY
Field/Pool:	PIERCE CROSSING BS, EAST	PIERCE CROSSING-BONE SPRING, E
Well/Facility:	CORRAL CANYON 36-25 FED COM 25H Sec 1 T25S R29E NENE 940FNL 1248FEL 32.163988 N Lat, 103.933488 W Lon	CORRAL CANYON 36-25 FED COM 25H Sec 1 T25S R29E 940FNL 1248FEL 32.163986 N Lat, 103.933487 W Lon CORRAL CANYON 36-25 FED COM 24H Sec 1 T25S R29E 940FNL 1283FEL 32.163986 N Lat, 103.933601 W Lon CORRAL CANYON 36-25 FED COM 26H Sec 1 T25S R29E 940FNL 1213FEL 32.163986 N Lat, 103.933372 W Lon

OXY USA Inc. - Corral Canyon 36-25 Federal Com #24H, 25H, 26H – Amended Drill Plan

This is a bulk sundry request for all three wells on the same pad. The wells related to this sundry request are:

API	Well Name
30-015-44634	Corral Canyon 36-25 Fed Com 24H
30-015-44635	Corral Canyon 36-25 Fed Com 25H
30-015-44636	Corral Canyon 36-25 Fed Com 26H

All three wells will have a similar design. The specific details (i.e. depths, cement volumes, etc...) below are for the 25H. The 24H and 26H wells flank the 25H on the pad and will have slightly deeper intermediate and production casing points.

1. Geologic Formations

TVD of Target	9,169ft	Pilot Hole Depth:	N/A
MD at TD:	19,608ft	Deepest Expected fresh Water	462ft

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	462	Brine
Salado	987	Losses
Castile	1562	
Lamar/Delaware	3334	
Bell Canyon	3398	Water
Cherry Canyon	4284	Oil/Gas
Brushy Canyon	5631	Oil/Gas/Losses
Bone Spring	7160	Oil/Gas
1st Bone Spring	8074	Oil/Gas
2nd Bone Spring	8402	Oil/Gas

*H₂S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

Hole Size	Casing Interval		Csg. Size (in)	Weight (lbs/ft)	Grade	Conn.	Safety Factor			
	From (ft)	To (ft)					Collapse	Burst	Body Tension	Joint Tension
14.75	0	685	10.75	45.5	J-55	BTC	> 1.125	> 1.2	> 1.4	> 1.4
9.875	0	8,630	7.625	26.4	L-80	BTC	> 1.125	> 1.2	> 1.4	> 1.4
6.75	0	19,608	5.5	20	P-110	DQX	> 1.125	> 1.2	> 1.4	> 1.4
Designs will meet or exceed										

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

*OXY requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage we will drop a cancellation cone and not pump the second stage.

OXY USA Inc. - Corral Canyon 36-25 Federal Com #24H, 25H, 26H – Amended Drill Plan

OXY would like to request a variance for annular clearance around production tubular couplings in the open hole interval comprised of the curve and lateral portions of the well. The production string clearance inside the intermediate string meets the requirements for >0.422in clearance as shown in the table below. The clearances for the production string are as follows:

Description	Csg/Hole ID	Coupl. OD	Clearance
DQX Coupling in 7-5/8" Casing	6.969	6.05	0.4595
DQX Coupling in 6.75in OH	6.75	6.05	0.35

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

OXY USA Inc. - Corral Canyon 36-25 Federal Com #24H, 25H, 26H – Amended Drill Plan

3. Cementing Program

Casing	Slurry	#Sks	Wt. (Lb/gal)	Yld ft ³ /sack	H2O gal/sk	500# Comp. Strength	Slurry Description
Surface	Surface already set by spudder rig						
1st Stage	Lead	434	10.2	2.58	11.568	6:59	Pozzolan Cement, Retarder
Intermediate	Tail	160	13.2	1.61	7.804	7:11	Class H Cement, Retarder, Dispersant, Salt
DV/ECP Tool @ 3384ft							
2nd Stage Intermediate	Tail	1,096	13.6	1.67	8.765	7:32	Class C Cement, Accelerator, Dispersant
Production Casing	Tail	806	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top of Lead (ft)	Bottom of Lead (ft)	Top of Tail (ft)	Bottom of Tail (ft)	% Excess Lead	% Excess Tail
Surface	N/A	N/A	0	685	N/A	100%
1st Stage Intermediate Casing	3284	7630	7630	8630	20%	20%
2nd Stage Intermediate Casing	N/A	N/A	0	3384	N/A	150%
Production Casing	N/A	N/A	8130	19608	N/A	15%

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size	Min. Required WP	Type		Tested to:
9.875" Hole	13-5/8"	5M	Annular	x	70 % of working Pressure
			Blind Ram	x	250/5000 psi
			Pipe Ram		
			Double Ram	x	
			Other*		

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

OXY USA Inc. - Corral Canyon 36-25 Federal Com #24H, 25H, 26H – Amended Drill Plan

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
Y	Are anchors required by manufacturer?
	A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015. See attached schematics.

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	685	Water-Based Mud	8.4-8.6	40-60	N/C
685	3384	WBM or OBM	9.8 - 10	35-45	N/C
3384	8,630	WBM or OBM	8.8-9.6	38-50	N/C
8,630	19,608	OBM	8.8-9.6	35-50	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

Oxy proposes to drill out the 13.375" surface casing shoe with either a salt saturated direct emulsion or an oil based mud system. We will drill with one or the other fluid system until intermediate casing point is reached. OBM will be used in the lateral section.

What will be used to monitor the loss or gain of fluid?	PVT/MD Totco/Visual Monitoring
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6. Logging and Testing Procedures

Logging, Coring and Testing.	
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
No	Logs are planned based on well control or offset log information.
No	Drill stem test? If yes, explain
No	Coring? If yes, explain

Additional logs planned	Interval
No	Resistivity
No	Density
No	CBL
Yes	Mud log
No	PEX

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4577 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	176°F

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

Hydrogen Sulfide (H ₂ S) monitors will be installed prior to drilling out the surface shoe. If H ₂ S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
N	H ₂ S is present
Y	H ₂ S Plan attached

8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe. We plan to drill the three well pad in batch by section: all surface sections, intermediate sections and production sections. The wellhead will be secured with a night cap whenever the rig is not over the well.	Yes
Will more than one drilling rig be used for drilling operations? If yes, describe. OXY requests the option to contract a Surface Rig to drill, set surface casing, and cement for this well. If the timing between rigs is such that OXY would not be able to preset surface, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig.	Yes

Total estimated cuttings volume: 1434 bbls.

9. Company Personnel

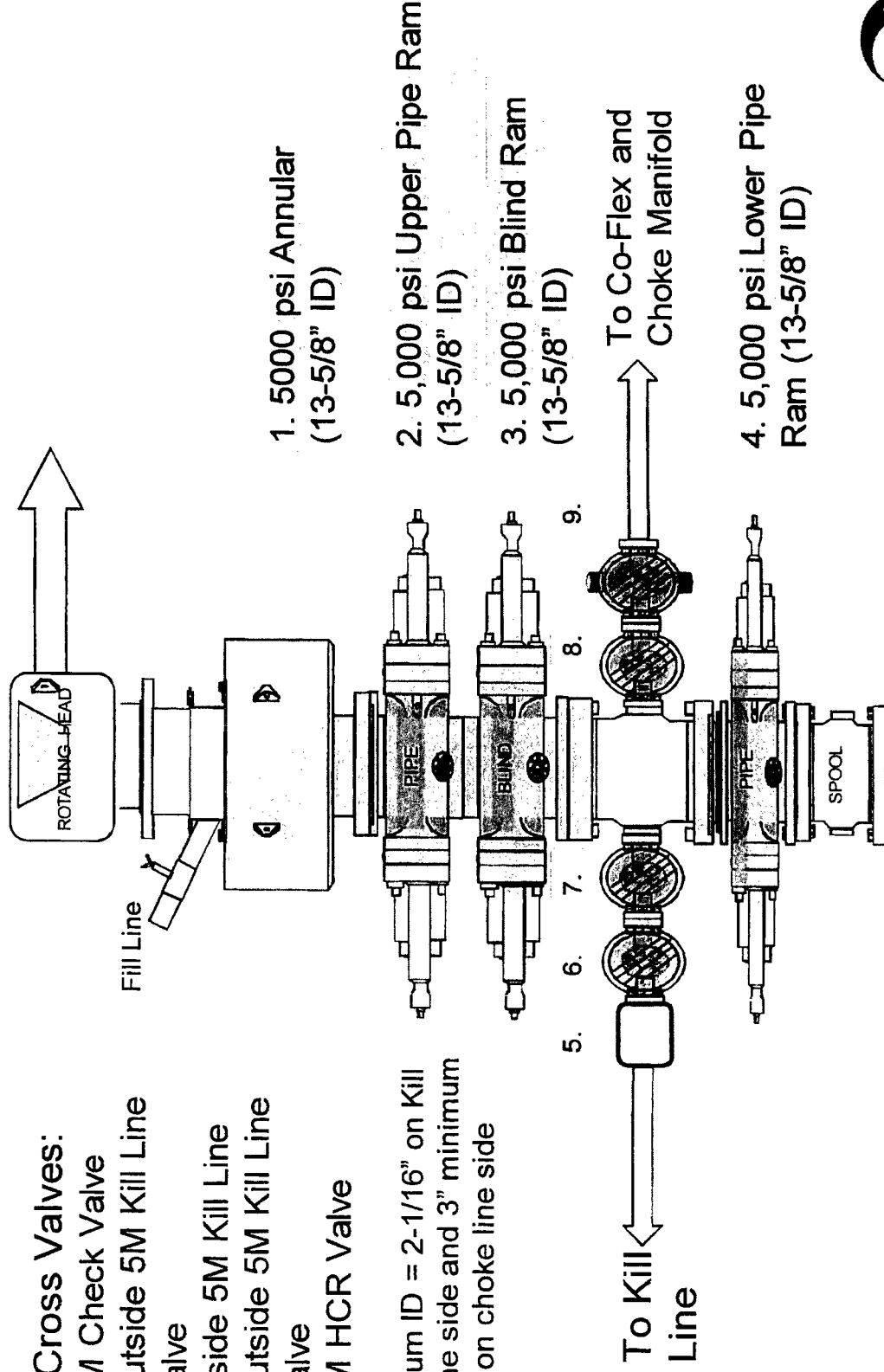
Name	Title	Office Phone	Mobile Phone
Philippe Haffner	Drilling Engineer	713-985-6379	832-767-9047
Diego Tellez	Drilling Engineer Supervisor	713-350-4602	713-303-4932
Simon Benavides	Drilling Superintendent	713-522-8652	281-684-6897
John Willis	Drilling Manager	713-366-5556	713-259-1417

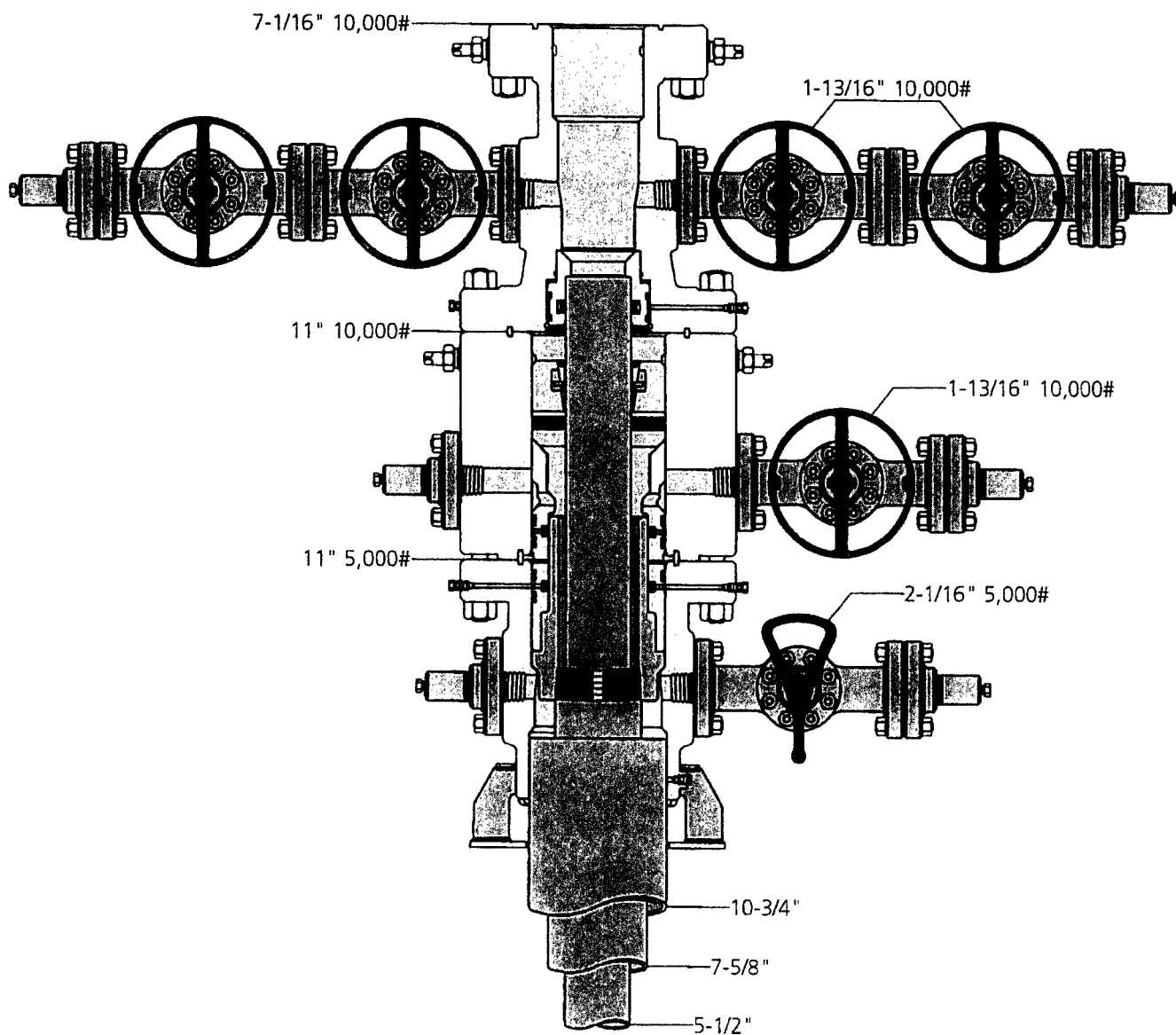
5M BOP Stack

Mud Cross Valves:

5. 5M Check Valve
6. Outside 5M Kill Line Valve
7. Inside 5M Kill Line Valve
8. Outside 5M Kill Line Valve
9. 5M HCR Valve

*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side

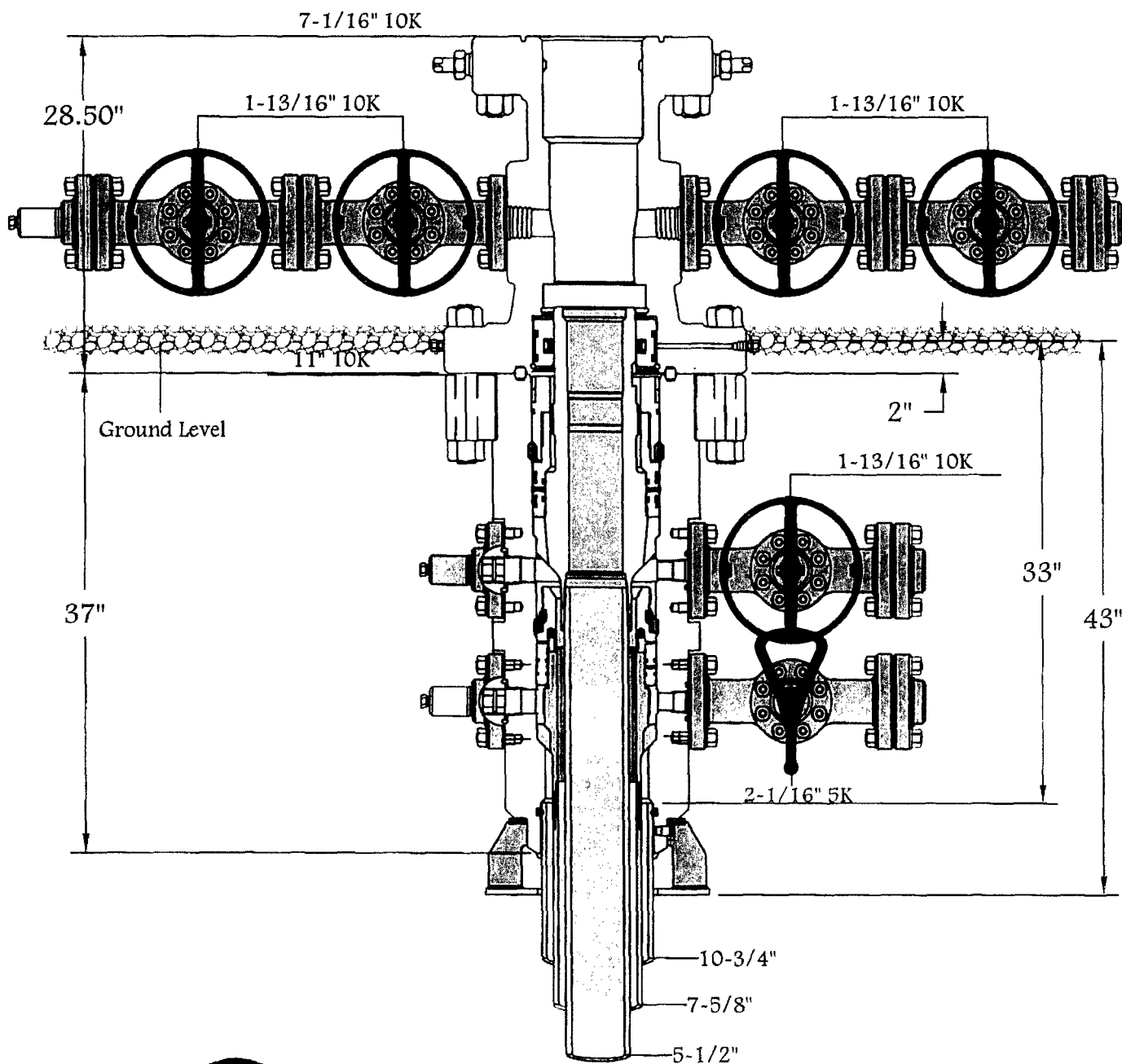




11" 10K MBS SL2 Wellhead



Team	Jeanette	Date	7-5-16	Working Pressure	#	J-9786-1
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11" 10K SSD-II



Name: Brandon	Date: 5-3-17	Working Pressure:	# 1466162
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PECOS DISTRICT DRILLING OPERATIONS CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INC.
LEASE NO.:	NMNM59386
WELL NAME & NO.:	25H – CORRAL FLY 36-25 FEDERAL COM
SURFACE HOLE FOOTAGE:	940'/N & 1248'/E
BOTTOM HOLE FOOTAGE	180'/N & 1260'/E
LOCATION:	Section 1., T25S., R.29E., NMP
COUNTY:	EDDY County, New Mexico

Potash	☒ None	☐ Secretary	☐ R-111-P
Cave/Karst Potential	☒ Low	☐ Medium	☐ High
Variance	☐ None	☒ Flex Hose	☐ Other
Wellhead	☐ Conventional	☒ Multibowl	
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP

All previous COAs still apply except for the following:

A. CASING

Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

1. The minimum required fill of cement behind the 7 5/8 inch intermediate casing is:

Operator has proposed DV tool and will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If operator circulates cement on the first stage, operator is approved to inflate the ACP and run the DV tool cancellation plug and cancel the second stage of the proposed cement plan. If cement does not circulate, operator will inflate ACP and proceed with the second stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job. **Excess calculate to 21% - additional cement might be required.**
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

2. The minimum required fill of cement behind the **5 1/2** inch production casing is:

- Cement should tie-back at least **200** feet into previous casing string. Operator shall provide method of verification. **Excess calculate to 14% - additional cement might be required.**

MHH 03072018

GENERAL REQUIREMENTS

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.