

District I,
1625 N. French Dr., Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised August 1, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|--|--|
| ¹ Operator name and Address OXY USA INC. P.O. BOX 50250 MIDLAND, TX 79710 | | ² OGRID Number 16696 |
| | | ³ Reason for Filing Code/ Effective Date - NW |
| ⁴ API Number 30 - 015-44299 | ⁵ Pool Name COTTON DRAW; BONE SPRING NSL-7548 | ⁶ Pool Code 13367 |
| ⁷ Property Code: 317687 | ⁸ Property Name: PALLADIUM MDP1 7-6 FEDERAL COM | ⁹ Well Number: 2H |

II. ¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot no. M | Section 7 | Township 24S | Range 31E | Lot Idn | Feet from the 609 | North/South Line SOUTH | Feet from the 742 | East/West line WEST | County EDDY |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------|

¹¹ Bottom Hole Location TOP PERF- 380' FSL 1296' FWL BOTTOM PERF- 362' FNL 1250' FWL

| | | | | | | | | | |
|-----------------------------|--|--|-----------------------------------|------------------------------------|-------------------------------------|---------------------------|-----------------------|------------------------|----------------|
| UL or lot no. 4 | Section 6 | Township 24S | Range 31E | Lot Idn | Feet from the 196 | North/South line NORTH | Feet from the 1247 | East/West line WEST | County EDDY |
| ¹² Lse Code F | ¹³ Producing Method Code : F | ¹⁴ Gas Connection Date: 2/25/18 | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

****NSL-7548**

| | | |
|------------------------------------|---|---------------------|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ O/G/W |
| | GREAT LAKES PETROLEUM TRANSPORTATION, LLC | O |
| 151618 | ENTERPRISE FIELD SERVICES LLC | G |
| RECEIVED | | |
| MAY 31 2018 | | |

IV. Well Completion Data

| | | | | | |
|-------------------------------------|---|-------------------------------------|--------------------------------------|--|-----------------------|
| ²¹ Spud Date 10/10/17 | ²² Ready Date 2/24/18 | ²³ TD 20085'M 10034'V | ²⁴ PBD 20023'M 10034'V | ²⁵ Perforations 10053-19918' | ²⁶ DHC, MC |
| ²⁷ Hole Size 17-1/2" | ²⁸ Casing & Tubing Size 13-3/8" | ²⁹ Depth Set 661' | ³⁰ Sacks Cement 845 | | |
| 12-1/4" | 9-5/8" | 4304' | 1519 | | |
| 8-1/2" | 5-1/2" | 20070' | 3767 | | |

V. Well Test Data

| | | | | | |
|---------------------------------------|--|-----------------------------------|--------------------------------------|-----------------------------|-------------------------------------|
| ³¹ Date New Oil 2/25/18 | ³² Gas Delivery Date 2/25/18 | ³³ Test Date 3/3/18 | ³⁴ Test Length 24 HRS. | ³⁵ Tbg. Pressure | ³⁶ Csg. Pressure 1049 |
| ³⁷ Choke Size 86/128 | ³⁸ Oil 3015 | ³⁹ Water 5891 | ⁴⁰ Gas 4039 | | ⁴¹ Test Met F |

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:
Jana Mendiola

Title:
Regulatory Specialist

E-mail Address:
Janalyn_mendiola@oxy.com

Date: 5/23/2018

Phone: 432-685-5936

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Rusty K. [Signature]
Business Ops Spec A
6-4-2018

Pending BLM approvals will
subsequently be reviewed
and scanned

MAY 31 2018

Form 3160-4
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
DISTRICT II-ARTESIA O.C.D.FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
NMNM57273

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
PALLADIUM MDP1 7-6 FEDERAL COM 2H9. API Well No.
30-015-4429910. Field and Pool, or Exploratory
COTTON DRAW; BONE SPRING11. Sec., T., R., M., or Block and Survey
or Area Sec 7 T24S R31E Mer NMP12. County or Parish
EDDY13. State
NM17. Elevations (DF, KB, RT, GL)*
3531 GL1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____2. Name of Operator
OXY USA INC. Contact: JANA MENDIOLA
E-Mail: janalyn_mendiola@oxy.com3. Address P.O. BOX 50250
MIDLAND, TX 79710 3a. Phone No. (include area code)
Ph: 432-685-59364. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface Sec 7 T24S R31E Mer NMP
SWSW 609FSL 742FWL 32.226265 N Lat, 103.823265 W Lon
At top prod interval reported below Sec 7 T24S R31E Mer NMP
SWSW 380FSL 1296FWL 32.225526 N Lat, 103.821591 W Lon
At total depth Sec 6 T24S R31E Mer NMP
NWNW 196FNL 1247FWL 32.253157 N Lat, 103.821566 W Lon14. Date Spudded
10/10/2017 15. Date T.D. Reached
12/31/2017 16. Date Completed
☐ D & A ☒ Ready to Prod.
02/24/201818. Total Depth: MD 20085
TVD 10034 19. Plug Back T.D.: MD 20023
TVD 10034 20. Depth Bridge Plug Set: MD
TVD21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
MUD LOG22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 17.500 | 13.375 J55 | 54.5 | 0 | 661 | | 845 | 204 | 0 | |
| 12.250 | 9.625 L80 | 47.0 | 0 | 4304 | | 1519 | 435 | 0 | |
| 8.500 | 5.500 P110 | 20.0 | 0 | 20070 | | 3767 | 950 | 206 | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| | | | | | | | | |

25. Producing Intervals

26. Perforation Record

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|--------------------|-------|--------|---------------------|-------|-----------|--------------|
| A) 2ND BONE SPRING | 10053 | 19918 | 10053 TO 19918 | 0.370 | 1920 | ACTIVE |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 10053 TO 19918 | 15798930G SLICK WATER + 49854G 7.5% HCL ACID W/ 19256690# SAND |
| | |
| | |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 02/25/2018 | 03/03/2018 | 24 | → | 3015.0 | 4039.0 | 5891.0 | | | FLows FROM WELL |
| Choke Size | Tbg. Press. Flwg. | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| 86/128 | SI | 1049.0 | → | 3015 | 4039 | 5891 | 1340 | POW | |

28a. Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| | SI | | → | | | | | | |

Pending BLM approvals will
subsequently be reviewed
and scanned

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #421185 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

28b. Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| | | | → | | | | | | |

28c. Production - Interval D

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio | Well Status | |
| | | | → | | | | | | |

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top Meas. Depth |
|-----------------|------|--------|------------------------------|---------------|-----------------|
| BELL CANYON | 4305 | 5175 | OIL, GAS, WATER | RUSTLER | 683 |
| CHERRY CANYON | 5176 | 6436 | OIL, GAS, WATER | SALADO | 960 |
| BRUSHY CANYON | 6437 | 8216 | OIL, GAS, WATER | CASTILE | 2850 |
| BONE SPRING | 8217 | 9192 | OIL, GAS, WATER | DELAWARE | 4283 |
| 1ST BONE SPRING | 9193 | 9896 | OIL, GAS, WATER | BELL CANYON | 4305 |
| 2ND BONE SPRING | 9897 | 10034 | OIL, GAS, WATER | CHERRY CANYON | 5176 |
| | | | | BRUSHY CANYON | 6437 |
| | | | | BONE SPRING | 8217 |

32. Additional remarks (include plugging procedure):
52. FORMATION (LOG) MARKERS CONTD.

1ST BONE SPRING 9193' MD
2ND BONE SPRING 9897' MD

Logs were mailed 5/24/18.

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #421185 Verified by the BLM Well Information System.
For OXY USA INC., sent to the Carlsbad

Name (please print) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 05/23/2018

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

Additional data for transaction #421185 that would not fit on the form

32. Additional remarks, continued

Log Header, Directional Survey, As-Drilled Amended C-102 plat & WBD are attached.

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 31 2018

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELL SUBJECT II-ARTESIA O.C.D.**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.5. Lease Serial No.
NMNM57273

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
PALLADIUM MDP1 7-6 FEDERAL COM 2H9. API Well No.
30-015-4429910. Field and Pool or Exploratory Area
COTTON DRAW BONE SPRING11. County or Parish, State
EDDY COUNTY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
OXY USA INC. Contact: JANA MENDIOLA
E-Mail: janalyn_mendiola@oxy.com3a. Address
P.O. BOX 50250
MIDLAND, TX 797103b. Phone No. (include area code)
Ph: 432-685-59364. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 7 T24S R31E Mer NMP SWSW 609FSL 742FWL
32.226265 N Lat, 103.823265 W Lon**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 recompleat 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.

RUPU 1/20/18, RIH & clean out to PBTD @ 20023?, pressure test csg to 9800# for 30 min, good test. RIH & perf @ 19918-19767, 19717-19561, 19511-19354, 19304-19147, 19097-18941, 18891-18734, 18684-18527, 18477-18321, 18271-18114, 18064-17907, 17857-17701, 17651-17494, 17444-17287, 17237-17080, 17030-16874, 16824-16667, 16617-16460, 16410-16254, 16204-16047, 15997-15840, 15790-15634, 15584-15427, 15377-15220, 15170-15014, 14964-14807, 14757-14600, 14550-14394, 14344-14187, 14137-13980, 13930-13774, 13724-13567, 13517-13360, 13310-13154, 13104-12947, 12897-12740, 12690-12534, 12484-12327, 12277-12120, 12070-11913, 11863-11707, 11657-11500, 11450-11293, 11243-11087, 11037-10880, 10830-10673, 10623-10467, 10417-10260, 10210-10053? Total 1920 holes. Frac in 48 stages w/ 15798930g Slick Water + 49854g 7.5% HCl acid w/ 19256690# sand, RD Schlumberger 2/8/18. RIH & clean out, flow to clean up and test well for potential.

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

Electronic Submission #421184 verified by the BLM Well Information System
For OXY USA INC., sent to the Carlsbad

Name (Printed/Typed) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 05/23/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Pending BLM approvals will
subsequently be reviewed
and scanned

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

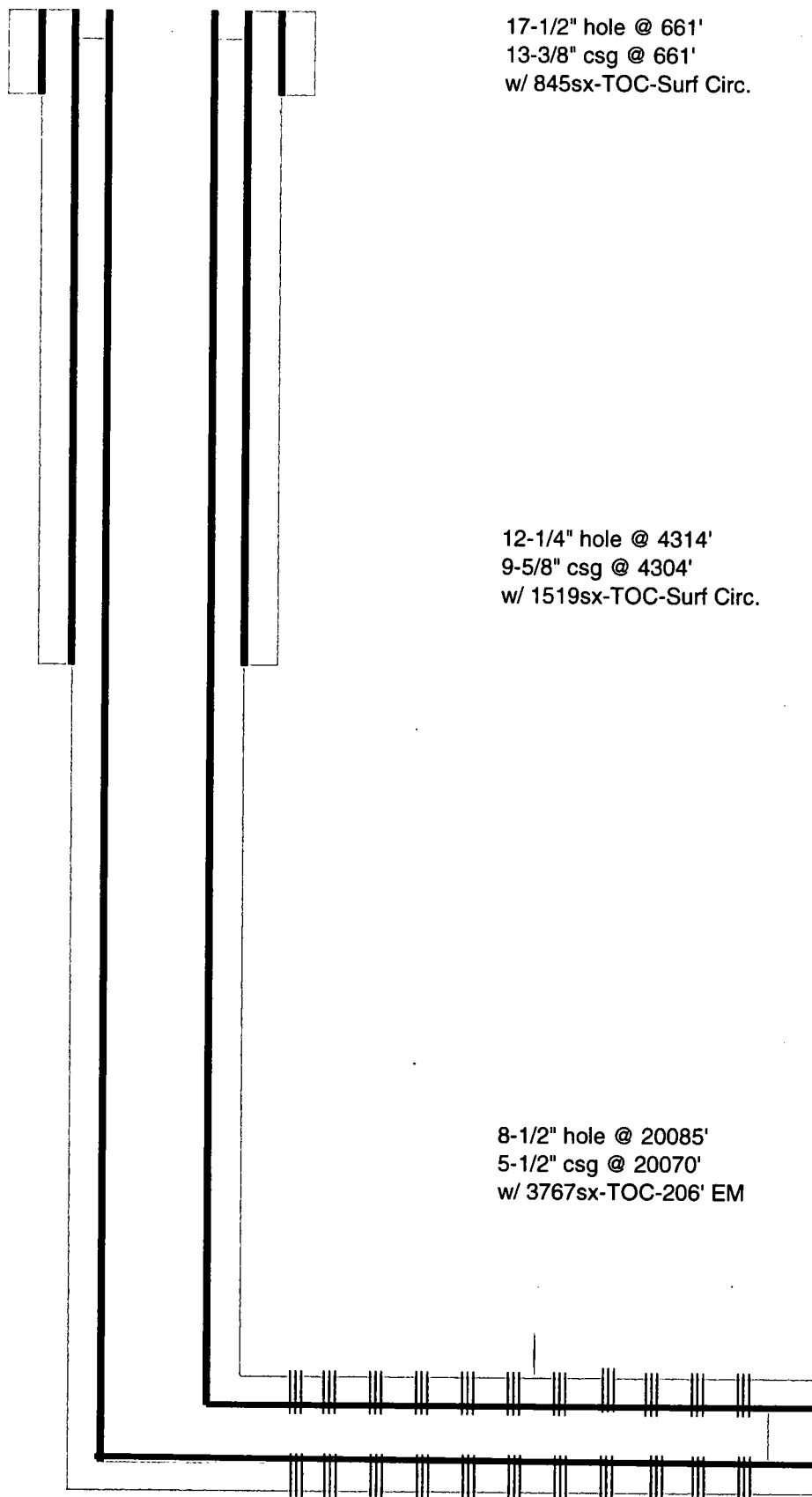
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

ited

(Instructions on page 2)

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

OXY USA Inc.
Palladium MDP1 7-6 Federal Com 2H
API No. 30-015-44299



Perfs @ 10053-19918'

TD- 20085'M 10034'V