Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

Carlsbad Field Office
NMOCD Artesia

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 proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM45236

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
STERLING SILVER 33 FEDERAL 1H

2. Name of Operator
OXY USA INCORPORATED
Contact: DAVID STEWART
E-Mail: david_stewart@oxy.com

9. API Well No.
30-015-39831-00-S1

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
INGLE WELLS

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 33 T23S R31E SESE 360FSL 590FEL

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 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 recomplete 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.

GC 8-10-18
Accepted for record - NMOCD

Well Prep Procedure:
1. MIRU PU and rig equipment
2. Ensure well is dead
3. MU tubing equipment and POOH w/2-7/8" tubing and rod pump
4. RIH with cleanout BHA
5. RU power swivel if needed and cleanout to PBTD
6. POOH with cleanout BHA and work string
7. RIH with work string to top of KOP and set RBP. Test casing to 6200# or max treating pressure, whichever is lower.
8. Bleed off pressure and RBIH to latch on RBP, release RBP and begin POOH. LD w/ RBP
9. Perform drift run with Mohawk BHA
10. RIH w/ 4.25" 13.1# P110 R2M expandable liner set @ approximately from

RECEIVED
AUG 07 2018
DISTRICT II-ARTESIA O.C.D.

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

Electronic Submission #427013 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/12/2018 (18PP2207SE)

Name *(Printed/Typed)* DAVID STEWART — Title REGULATORY ADVISOR

Signature (Electronic Submission) — Date 07/11/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **/s/ Jonathon Shepard** — Title Petroleum Engineer — Date JUL 26 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 Field Office

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 #427013 that would not fit on the form

32. Additional remarks, continued

9903-14205'.
11. Expand the liner using Mohawk procedures

Plug & Perf stimulation operation:
1. Conduct pre-job safety meeting, discuss scope of work and hazard
2. Check wellhead pressure and bleed off pressure if any to grounded flowback tank
3. MIRU Cameron WH Company and equipment.
4. Install 10M frac stack on wellhead
5. MIRU frac and WL equipment
6. RIH with WL and plug and perf for stage 1 with 4 clusters (9917-14182') per attached perf design.
7. Spot 7.5% HCl acid and breakdown stage 1
8. Frac stage 1 per the pump schedule below
9. RIH with WL and plug & perf for stage 2 and frac afterwards
10. Repeat process for the remaining stages (estimated 16 total stages)
11. RDMO frac and WL company

Wellbore Clean out and Flowback Procedure:
1. Hold Pre-job safety meeting, discuss scope of work and hazards
2. Check well head pressure, bleed off pressure if any to grounded flowback tank
3. MIRU 2-3/8" CT unit, PU 4.13" JZ bit, (Mohawk liner is 4.158" ID drift) RIH and DO plugs and CO to PBTD
4. Circulate hole clean and pump gel sweeps
5. RDMO CT unit and turn the well over to production
6. Open to Flowback
7. An artificial lift procedure will be provided once flowback operations completed.

OXY USA Inc. - Sterling Silver 33 Federal #1H – 30-015-39831 – Ingle Wells Bone Spring

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 PBTD
- POOH with cleanout BHA and work string
- RIH with work string to top of KOP and set RBP. Test casing to 6200 psi or max treating pressure, whichever is lower.
- Bleed off pressure and RBIH to latch on RBP, release RBP and begin POOH. LD w/ RBP
- Perform drift run with Mohawk BHA
- RIH w/ 4.25" 13.1# P110 R2M expandable liner set @ approximately from 9,903 ft – 14,205 ft
- Expand the liner using Mohawk procedures

Plug & Perf 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 frac and WL equipment
- RIH with WL and plug and perf for stage 1 with 4 clusters (per attached perf design)
- Spot 7.5% HCl acid and breakdown stage 1
- 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 22 total stages)
- RDMO frac and WL company

Wellbore 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 2-3/8" CT unit, PU 4.13" JZ bit, (Mohawk liner is 4.158" ID drift) RIH and DO plugs and CO to PBTD
- Circulate hole clean and pump gel sweeps
- RDMO CT unit and turn the well over to production
- Open to Flowback
- An artificial lift procedure will be provided once flowback operations completed.

OXY USA Inc. - Sterling Silver 33 Federal #1H – 30-015-39831 – Ingle Wells Bone Spring

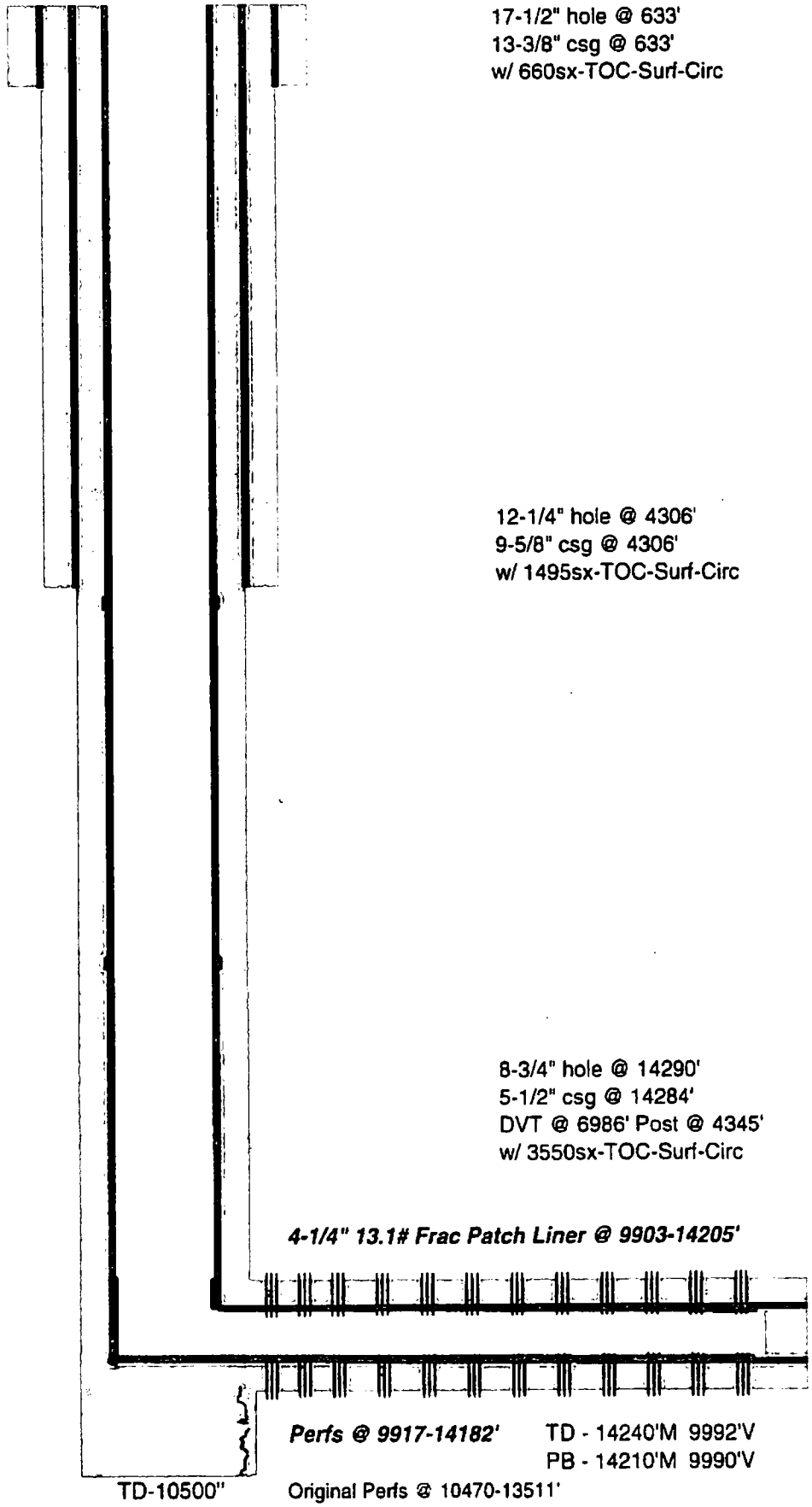
Proposed Perforation & Plug Depth

PLUGS AND PERFORATIONS INTERVALS						
		Cluster 1	Cluster 2	Cluster 3	Cluster 4	Plug
	Gun Length	2	2	2	2	
	Number of Shots	6	6	6	6	
Stage 1 Perfs: 6 shots loaded @ 60 degree phasing	Top	14033	14082	14131	14180	14205
	Bottom	14035	14084	14133	14182	
Stage 2 Perfs: 6 shots loaded @ 60 degree phasing	Top	13837	13886	13935	13984	14009
	Bottom	13839	13888	13937	13986	
Stage 3 Perfs: 6 shots loaded @ 60 degree phasing	Top	13641	13690	13739	13788	13813
	Bottom	13643	13692	13741	13790	
Stage 4 Perfs: 6 shots loaded @ 60 degree phasing	Top	13445	13494	13543	13592	13617
	Bottom	13447	13496	13545	13594	
Stage 5 Perfs: 6 shots loaded @ 60 degree phasing	Top	13249	13298	13347	13396	13421
	Bottom	13251	13300	13349	13398	
Stage 6 Perfs: 6 shots loaded @ 60 degree phasing	Top	13053	13102	13151	13200	13225
	Bottom	13055	13104	13153	13202	
Stage 7 Perfs: 6 shots loaded @ 60 degree phasing	Top	12857	12906	12955	13004	13029
	Bottom	12859	12908	12957	13006	
Stage 8 Perfs: 6 shots loaded @ 60 degree phasing	Top	12661	12710	12759	12808	12833
	Bottom	12663	12712	12761	12810	
Stage 9 Perfs: 6 shots loaded @ 60 degree phasing	Top	12465	12514	12563	12612	12637
	Bottom	12467	12516	12565	12614	
Stage 10 Perfs: 6 shots loaded @ 60 degree phasing	Top	12269	12318	12367	12416	12441
	Bottom	12271	12320	12369	12418	
Stage 11 Perfs: 6 shots loaded @ 60 degree phasing	Top	12073	12122	12171	12220	12245
	Bottom	12075	12124	12173	12222	
Stage 12 Perfs: 6 shots loaded @ 60 degree phasing	Top	11877	11926	11975	12024	12049
	Bottom	11879	11928	11977	12026	
Stage 13 Perfs: 6 shots loaded @ 60 degree phasing	Top	11681	11730	11779	11828	11853
	Bottom	11683	11732	11781	11830	
Stage 14 Perfs: 6 shots loaded @ 60 degree phasing	Top	11485	11534	11583	11632	11657
	Bottom	11487	11536	11585	11634	
Stage 15 Perfs: 6 shots loaded @ 60 degree phasing	Top	11289	11338	11387	11436	11461
	Bottom	11291	11340	11389	11438	
Stage 16 Perfs: 6 shots loaded @ 60 degree phasing	Top	11093	11142	11191	11240	11265
	Bottom	11095	11144	11193	11242	
Stage 17 Perfs: 6 shots loaded @ 60 degree phasing	Top	10897	10946	10995	11044	11069
	Bottom	10899	10948	10997	11046	
Stage 18 Perfs: 6 shots loaded @ 60 degree phasing	Top	10701	10750	10799	10848	10873
	Bottom	10703	10752	10801	10850	
Stage 19 Perfs: 6 shots loaded @ 60 degree phasing	Top	10505	10554	10603	10652	10677
	Bottom	10507	10556	10605	10654	
Stage 20 Perfs: 6 shots loaded @ 60 degree phasing	Top	10309	10358	10407	10456	10481
	Bottom	10311	10360	10409	10458	
Stage 21 Perfs: 6 shots loaded @ 60 degree phasing	Top	10113	10162	10211	10260	10285
	Bottom	10115	10164	10213	10262	
Stage 22 Perfs: 6 shots loaded @ 60 degree phasing	Top	9917	9966	10015	10064	10089
	Bottom	9919	9968	10017	10066	

Propose Pump schedule

			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	20000	20,000	21,000	Slick Water			-	-
3	9.61	Sand-Laden	90	13500	13,635	34,634	Slick Water	0.50	100 Mesh	6,750	6,750
4	13.84	Sand-Laden	90	16000	16,543	51,177	Slick Water	0.75	100 Mesh	12,000	18,750
5	19.14	Sand-Laden	90	20000	20,904	72,081	Slick Water	1.00	100 Mesh	20,000	38,750
6	26.19	Sand-Laden	90	25000	28,174	100,255	Slick Water	1.25	100 Mesh	31,250	70,000
7	36.42	Sand-Laden	90	40000	41,290	141,545	Slick Water	1.50	100 Mesh	60,000	130,000
8	47.00	Sand-Laden	90	40000	43,166	184,711	Slick Water	1.75	100 Mesh	70,000	200,000
9	52.29	Sand-Laden	90	20000	20,904	205,616	Slick Water	1.00	40/70 White	20,000	220,000
10	57.58	Sand-Laden	90	20000	21,131	226,746	Slick Water	1.25	40/70 White	25,000	245,000
11	64.64	Sand-Laden	90	27000	28,476	255,222	Slick Water	1.50	40/70 White	40,500	285,500
12	72.75	Sand-Laden	90	30000	33,094	288,316	Slick Water	1.75	40/70 White	52,500	338,000
13	80.86	Sand-Laden	90	31000	33,441	321,757	Slick Water	2.00	40/70 White	62,000	400,000
14	0.00	Flush	90				Slick Water		(Flush to Top Perf)		400,000

OXY USA Inc. - Proposed
Sterling Silver 33 Federal #1H
API No. 30-015-39831



OXY USA Inc. - Current
Sterling Silver 33 Federal #1H
API No. 30-015-39831