Form 3160-5 (June 2015) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT					5. Lease S	OMB N Expires: Ja	APPROVED O. 1004-0137 anuary 31, 2018
ai	SUNDRY I Do not use thi bandoned wel	NOTICES AND REPO s form for proposals to I. Use form 3160-3 (AP	RTS ON W drill or to re D) for such (enter an ARTE proposals.	SHA DISTRICT UND	M45236	r Tribe Name
		RIPLICATE - Other ins		ואויו	7. If Unit 7. If Unit	or CA/Agree	ement, Name and/or No.
1. Type of Well	Gas Well 🔲 Oth	er		RI		ame and No. IM MDP1 2	8-21 FEDERAL COM 3H
2. Name of Operator Contact: SARAH CHAPMAN OXY USA INCORPORATED E-Mail: SARAH_CHAPMAN@OXY.COM						ell No. 5-45244-0	00-X1
3a. Address 5 GREENWAY HOUSTON, TX		110	3b. Phone No Ph: 713-35), (include area code) 10-4997		and Pool or 1 E WELLS	Exploratory Area
4. Location of Well	(Footage, Sec., T.	, R., M., or Survey Description	n)		11. Count	ty or Parish,	State
Sec 33 T23S R 32.267498 N La		9FNL 2369FWL W Lon			EDDY	COUNT	Y, NM
12. CH	IECK THE AP	PROPRIATE BOX(ES)) TO INDICA	TE NATURE O	F NOTICE, REPORT	, or oti	HER DATA
TYPE OF SUB	MISSION			TYPE OI	FACTION		
Notice of Inter	nt	Acidize		•	Production (Start/I	Resume)	□ Water Shut-Off
Subsequent Re	eport	Alter Casing		Iraulic Fracturing v Construction	Reclamation Recomplete		Well Integrity Ø Other
☐ Final Abandor	-	Casing Repair Change Plans	-	g and Abandon	Temporarily Aban	don	Change to Original A
	ment rones	Convert to Injection	_	g Back	Water Disposal		PD
If the proposal is to Attach the Bond ur following completi testing has been co determined that the	deepen directiona ader which the wor on of the involved mpleted. Final At site is ready for fi		, give subsurface e the Bond No. c esults in a multip iled only after all	locations and measu n file with BLM/BIA le completion or reco requirements, includ	red and true vertical depth Required subsequent reproduction in a new interval	s of all pertin orts must be , a Form 316	nent markers and zones. e filed within 30 days 50-4 must be filed once
	, ,	juests to amend the APE		wing changes:			
	-	n the current permitted la			SEF	EATTA	CHED FOR
		nd intermediate 7-5/8" c drill plot, directional sur			CONDIT	TIONS	CHED FOR OF APPROVAL
14. I hereby certify th	at the foregoing is	Electronic Submission	#454658 verifi	d by the BLM We	Il Information System		
	Con	For OXY US nmitted to AFMSS for pro	A INCORPOR	1	n 02/14/2019 (19PP107	8SE)	
Name (Printed/Typ	ed) DAVID ST	EWART		Title REGUL	ATORY ADVISOR		
Signature	(Electronic S	Submission)		Date 02/14/2	019		
		THIS SPACE F	OR FEDER	AL OR STATE	OFFICE USE		
		<u> </u>					Data 00/05/0040
Approved By_MUS Conditions of approval, certify that the applican which would entitle the	if any, are attache t holds legal or equ	d. Approval of this notice dou uitable title to those rights in the operations thereon.	es not warrant or he subject lease	Office Carlsba	<u>UM ENGINEER</u>		Date 02/25/2019
		U.S.C. Section 1212, make it	a crime for any r	erson knowingly and	l willfully to make to any d	lepartment o	r agency of the United

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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(Instructions on page 2) ** BLM REVISED **

Ruf 3-28-19

1. Geologic Formations

TVD of target	9792	Pilot Hole Depth	N/A
MD at TD:	20285'	Deepest Expected fresh water:	448'

Delaware Basin

Formation	TVD - RKB	Expected Fluids
Rustler	448	
Salado	813	Salt
Castile	2,733	Salt
Lamar/Delaware	4,236	Oil/Gas/Brine
Bell Canyon	4,264	Oil/Gas/Brine
Cherry Canyon	5,131	Oil/Gas/Brine
Brushy Canyon	6,417	Losses
Bone Spring	8,036	Oil/Gas
1st Bone Spring	9,097	Oil/Gas
2nd Bone Spring	9,323	Oil/Gas

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

2. Casing Program

									Buoyant	Buoyant
in the state	Casing In	tervil	Csg. Size	Weight	a		SF	6 0 n	Body SF	Joint SF
Hole Size (in)	From (ft)	To (ft)	(in)	(ibs)	Grade	Conn.	Collapse	SF Burst	Tension	Tension
17.5	0	683	13.375	54.5	J-55	BTC	i.125	1.2	1.4	1.4
12.25	0	4286	9.625	43.5	L-80	BTC	1.125	1.2	1.4	1.4
8.5	0	9207	7.625	26.4	L-80 HC	SF (0 ft to 4200 ft) FJ (4200 ft to 9207 ft)	1.125	1.2	t.4	1.4
6.75	0	20285	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
· · · · ·								es 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 cancelation cone and not pump the second stage.

*Oxy requests the option to run production casing with DQX and/or SF TORQ connections to accommodate hole conditions or drilling operations.

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

- 1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
- 2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

	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?	Y
If yes, are the first three strings cemented to surface?	Y
Is 2 nd string set 100' to 600' below the base of salt?	Y
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?	

3. Cementing Program

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Casing Sining	, #Ska	Wt. (ib/gal)	Yld (ff3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Siurry Description
Surface (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Surface (Tail)	532	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate (Lead)	918	12.9	1.88	10.130	14:22	Pozzolan Cement, Retarder
Intermediate (Taš)	155	14.8	1.33	6.370	12:45	Class C Cement, Accelerator
Intermediate II 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate II 1st Stage (Tail)	125	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Sah
Intermediate II 2nd Stage (Tai	il Slurry) to b	e pumped as l	Bradenhead So	queeze from :	surface, dow	n the Intermediate annulus
Intermediate II 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate II 2nd Stage (Tail)	351	. 12.9	1,92	10.410	23:10	Class C Cement, Accelerator
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Production (Tail)	849	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Sah

Casing String	Top (ft)	Bottom (ft)	% Excess.
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	683	100%
Intermediate (Lead)	0	3786	50%
Intermediate (Tail)	3786	4286	20%
Intermediate II 1st Stage (Lead)	N/A	N/A	N/A
Intermediate II 1st Stage (Tail)	6667	9207	5%
Intermediate II 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate II 2nd Stage (Tail)	0	6,667	25%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	8707	20285	20%

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		Tested to:	
		3M	Annular	1	70% of working pressure	
12.25" Hole	13-5/8**		Blind Ram			
12.25 HOIC	13-3/6	3M	Pipe Ram		250	
		3M	Double Ran	n 🖌		
			Other*		1	
			3M	Annular		70% of working pressure
	13.6.07		Blind Ram			
8.5" Hole	13-5/8"		Pipe Ram		260	
		3M	Double Ran	n 🗸	- 250 psi / 3000 ps	
		Other*				
		5M	Annular	1	70% of working pressure	
6.75" Hole	12 6 62		Blind Ram			
	13-5/8"		Pipe Ram			
		SM	Double Ran	n 🖌	250 psi / 5000 psi	
			Other*		-	

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*Specify if additional ram is utilized.

Oxy will utilize a 5M annular with a 10M BOPE stack. The 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.

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.					
Due to the four string design, Oxy plans to employ a 13-3/8" 3K sacrificial wellhead that					
will be employed to drill the 12.25" Intermediate Hole. Upon completion of drilling and					
cementing operations on the 12.25" Intermediate Hole section (along with proper WOC					
time), the wellhead will be cut off and salvaged. At this point, a standard 13-5/8 MNDS					
5x10 Slips (13.375 x 9.625 x 7.625 x 5.5) wellhead will be welded onto the 9-5/8" casing					
for the remainder of drilling operations on the pad.					
See attached schematics.					

BOP Break Testing Request

As per the agreement reached in the Oxy/BLM face-to-face meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions:

- After a full BOP test is conducted on the first well on the pad.
- When skidding to drill an intermediate section that does not penetrate into the Wolfcamp.
- Full BOP test will be required prior to drilling any production hole.

5. Mud Program

De	pth	The second se	Weight	s SReasonation		
From (ft)	To (ft)	Туре	(ppg)	Viscosity	Water Loss	
0	683	Water-Based Mud	8.6-8.8	40-60	N/C	
683	4286	Saturated Brine- Based Mud	9.8-10.0	35-45	N/C	
4286	9207	Water-Based or Oil- Based Mud	8.0-9.6	38-50	N/C	
9207	20285	Water-Based or Oil- Based Mud	8.0-9.6	38-50	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.

What will be used to monitor the loss or gain	PVT/MD Totco/Visual Monitoring
of fluid?	

6. Logging and Testing Procedures

Logg	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 Com	pletion Report and submitted to the Bl	LM				
No	Logs are planned based	l on well control or offset log informa	tion.				
No	Drill stem test? If yes,	explain					
No	Coring? If yes, explain						
Addi	tional logs planned	Interval					
No	Resistivity						
No	Density						
No	CBL						
Yes	Mud log	ICP - TD					
No	PEX						

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4838 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	159°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 (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S 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 H2S is present

Y H2S Plan attached

8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe.	Yes
• We plan to drill the two 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.	
Will more than one drilling rig be used for drilling operations? If yes, describe.	Yes
• 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.	

Total estimated cuttings volume: 1536.1 bbls.

Attachments

x Directional Plan

9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Margret Giltner	Drilling Engineer	713-366-5026	210-683-8480
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

7 Drilling Plan

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Borehole(Oxy Indium MDP1 28-21 Federal Com 3H Rev1 mcs 21Jan19 Schlumberger-Private

	Report Date: Client: Structure / Slot: Weikit: Survey Net: Coatfon Cirid VE Y02: Cr38 Grid Convergence Grid Scale Fuelor: Vereion / Patch: SHL	Schlunterger
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...Original Borshole\Oxy Iridium MDP1 28-21 Federal Com 3H Rev1 mcs 21Jan19 . Schlumberger-Private

	Landing Point	Build 107/100° DLS	Comments Build 1://100' DLS Hotel Tum 1'/100' DLS
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Comments	MD	Incl	Azim Grid	TVD	VSEC	NS	EW	DLS	Northing	E. allow		
	(ft)	<u>(')</u>		(ft)	(ft)	(11)	(ft)	("/100ft)	(ftUS)	Easting (RUS)	Latitude (N/S * ' *)	Longitude
	17900.00	90.11	359.64	9777.20	8410.85	8406.29	-281,35	0.00	409889.68	710963.67		(E/W ****) W 103 47 3.83
	18000.00	90.11	359.64	9777.00	8510,83	B506.29	-281.98	0.00	409989.87	710963.04		W 103 47 3.83
	10100.00	90.11	359.64	9776.B1	8610.80	8606,29	-282.61	0.00	470089.86	710962.41		W 103 47 3.83
	18200.00	90.11	359.64	9776.01	8710,78	8706.29	-283.24	0.00	470189.68		N 32 17 29.15	W 10347 3.03
	18300.00	90.11	359.64	9776.41	8810,78	8806.28	-283.87	0.00	470289.65	710961,15		W 103 47 3.83
	18400.00	90.11	359,64	9776.22	6910.74	8906.28	-284.50	0.00	470389.64	710900.52		W 103 47 3.83
	18500.00	90.11	359.64	9776.02	9010.71	9006.28	-285,13	0.00	470489.63	710959.89		W 103 47 3.83
	18600.00	90.11	359.64	9775.82	911D.69	9106.28	-285 76	0.00	470589.62		N 32 17 33.11	11 103 41 3,83
	18700.00	90,11	359.64	9775.62	9210.67	9206.28	-286.39	0.00	470689.61	710958.63		W 103 47 3.84
	18800.00	90.11	359.64	9775,43	9310.64	9306.27	-287.02	0.00	470789.61	710958.00		W 103 47 3.84
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Survey Type:

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Survey Error Model: Survey Program:

Model:	ISCWSA Rev 0 *** 3-D 85.000% Confidence 2.7955 sigma

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	1	26.500	20285.545	1/108.000	30.000	30.000		NAL_MWD_PLUS_0.6_DEG	Original Borehole / Oxy Iridium MDP1 28-21 Federal Com 3H

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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAM	IE: OXY USA INC.
LEASE N	O.: NMNM 045236
WELL NAME & N	O.: Iridium MDP1 28-21 Fed Com 3H
SURFACE HOLE FOOTAG	GE: 249'/N & 2369'/W
BOTTOM HOLE FOOTA	GE 20'/N & 2140'/W
LOCATIC	DN: SECTION 33, T23S, R31E, NMPM
COUNT	TY: EDDY
COUNT	TY: EDDY

Potash		C Secretary	☞ R-111-P
Cave/Karst Potential	6 Low		
Variance	(None	Flex Hose	COther
Wellhead	Conventional	Multibowl	
Other	□4 String Area	□Capitan Reef	□WIPP

All previous COAs still apply, except for the following:

A. CASING

- 1. The 13 3/8 inch surface casing shall be set at approximately 683 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>24 hours in the Potash Area</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 9 5/8 inch first intermediate casing is:

Option 1 (Single Stage):

• Cement to surface. If cement does not circulate, contact the appropriate BLM office. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first 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.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.

Second intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

- 3. The minimum required fill of cement behind the 7 5/8 inch second intermediate casing is:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

<u>Operator has proposed to pump down 9 5/8" X 7 5/8" annulus. Operator must</u> run a CBL from the TD of the 7 5/8" casing to surface.

- 4. The minimum required fill of cement behind the 5 1/2 inch production casing is:
 - Cement should be tie-back at least 500 feet into previous string. Operator shall provide method of verification. Excess calculates to 19% additional cement will be required.

B. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).

Option 1:

- i. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- ii. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 7 5/8" second intermediate casing shoe shall be 5000 (5M) psi.

Option 2:

- i. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

MHH 02252019

2.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Chaves and Roosevelt Counties

Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201. During office hours call (575) 627-0272. After office hours call (575)

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- Lea County Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612
- 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.
- <u>Wait on cement (WOC) for Potash Areas:</u> 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 <u>24</u> hours. WOC time will be recorded in the driller's log.
- 3. <u>Wait on cement (WOC) for Water Basin:</u> 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 <u>8 hours</u>. 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.
- B. PRESSURE CONTROL
- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.

- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.



[EXTERNAL] Oxy - Iridium MDP1 28-21 Fed Com 1H, 2H, 3H, 4H - Bulk Drilling Sundry (Deepening of Surface TD)

4 messages

Tilley, Mitchel < Mitchel Tilley@oxy.com>

Thu, Nov 15, 2018 at 10:36 AM

To: "Hague, Mustafa" <mhague@blm.gov>, "Lewis, Mark" <melewis@blm.gov> Cc: "Adam, Derek W" <Derek_Adam@oxy.com>, "Turner, William" <William Turner2@oxy.com>, "Tellez, Diego" <Diego_Tellez@oxy.com>, "Al Lawati, Mohamed A" <Mohamed Al_Lawati@oxy.com>, "Daniels, Kaitlyn A" <Kaitlyn Daniels@oxy.com>, "Stewart, David R" <David Stewart@oxy.com>, "Morris, Justin C" <Justin Morris@oxy.com>, "Benavides, Simon" <Simon Benavides@oxy.com>

Haque / Mark,

Oxy rigs in the Iridium drilling area have been experiencing low formation integrity tests (FIT's) after drilling out of the surface shoe. The low FIT's have caused problems while drilling, casing, and cementing the intermediate hole sections.

On require approval to deepen the surface casing on the upcoming wells for spudding listed below to asproximately about. The new TD's satisfy the regulatory rules where surface casing must: > 25 ft into Rustler formation & not penetrate into the top of the Salado formation. The well design for these surface holes will remain the same as 17-1/2" OH x 13-3/8" CSG.

API	Well Name	New TD (ft)
3001545242	Iridium MDP1 28-21 Fed Com	1H 700
3001545243	Iridium MDP1 28-21 Fed Com	2H 700
3001545244	Iridium MDP1 28-21 Fed Com	3H 700
3001545245	Iridium MDP1 28-21 Fed Com	4H 700

Sincerely,

Mitchel Tilley

Drilling Engineer – Permian Resources (NM) Oxy USA Inc. Cell: 720.201.2649 Office: 713.599.4111 Mitchel Tilley@oxy.com

Lewis, Mark <melewis@blm.gov> To: Mitchel Tilley@oxy.com Cc: "Haque, Mustafa" <mhaque@blm.gov>, Derek_Adam@oxy.com, William_Turner2@oxy.com, Diego_Tellez@oxy.com, Mohamed AI Lawati@oxy.com, Kaitlyn Daniels@oxy.com, David Stewart@oxy.com, Justin Morris@oxy.com, Simon Benavides@oxy.com

Received, thank you. Thank you in Geology BLM view. Thank you Have a great Thanks Giving [Quoted text hidden]

Mark E. Lewis PG.

Interior-Bureau of Land Management Geologist Fluid Minerals, Leasable & Salable Minerals Interior-BLM. NM. Carlsbad Field Office-NM CFO

620 East Greene Street SR 62/180 Hobbs HWY

Thu, Nov 15, 2018 at 4:54 PM