

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



Notice of C-104 Denial and Request for Information

OCD denies your C-104 – *Request for Allowable and Authorization to Transport* because it is incomplete or conflicts with other information provided to OCD.

The sale or transport of product without a C-104 approved by OCD violates the Oil and Gas Act and the implementing rules, including 19.15.7.15 and 19.15.16.19 NMAC.

To avoid an enforcement action, you must submit the indicated information no later than 30 days after receipt of this notice.

Test Allowable, New Well and Recompleted Well

Amend C-104

- ☐ C-103 (or BLM equivalent) for all casing strings
 - ☐ Spud Notice
 - ☐ Surface Casing
 - ☐ Intermediate Casing (if applicable)
 - ☐ Additional Intermediate Casing (if applicable)
 - ☐ Production Casing or Liner
- ☐ Applicable Order (NSL, NSP, Other _____)
- ☐ Deviation Survey for Vertical Wells
- ☐ Directional Survey
 - ☐ C-102 (As-Drilled Plat for Horizontal Well)

New Well and Recompleted Well Only

- ☐ C-103 Completion Sundry (or BLM equivalent)
- ☒ C-105 Completion Report (or BLM equivalent)
- ☐ All Logs Run on Well

Approved or Accepted

If you have any questions please contact the local OCD District Office

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

NM OIL CONSERVATION
ARTESIA DISTRICT

Form C-104
Revised August 1, 2011

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

OCT 31 2019

Submit one copy to appropriate District Office

RECEIVED

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address OXY USA INC P.O. BOX 4294 HOUSTON, TX 77210		² OGRID Number 16696
⁴ API Number 30-015-45646		³ Reason for Filing Code/ Effective Date - NW
⁵ Pool Name INGLE WELLS; BONE SPRING	⁶ Pool Code 33740	
⁷ Property Code: 324872	⁸ Property Name: PURE GOLD MDP1 29-17 FEDERAL COM	⁹ Well Number: 2H

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
M	29	23S	31E		690'	SOUTH	1025'	WEST	EDDY

¹¹ Bottom Hole Location

FTP: 124' FSL 1230' FWL LTP: 2493' FSL 1181' FWL

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	23S	31E		2606'	SOUTH	1183'	WEST	EDDY
¹² Lse Code F	¹³ Producing Method Code : F	¹⁴ Gas Connection Date: 7/7/2019	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
237722	CENTURION PIPELINE L.P.	O
151618	ENTERPRISE FIELD SERVICES LLC	G

IV. Well Completion Data

²¹ Spud Date 02/28/2019	²² Ready Date 07/01/2019	²³ TD 9838'V/22889'M	²⁴ PBDT 9838'V/22843'M	²⁵ Perforations 9923'-22800'	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
17-1/2"	13-3/8"	661'	870		
12-1/4"	9-5/8"	4197'	1170		
8-1/2"	7-5/8"	9007'	474		
6-3/4"	5-1/2"	22843'	1010		

V. Well Test Data

³¹ Date New Oil 7/8/2019	³² Gas Delivery Date 7/7/2019	³³ Test Date 7/11/2019	³⁴ Test Length 24-HOUR	³⁵ Tbg. Pressure	³⁶ Csg. Pressure 934
³⁷ Choke Size 128/128	³⁸ Oil 3598	³⁹ Water 11233	⁴⁰ Gas 3254		⁴¹ Test Method FLOWING

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: Sarah Chapman

Printed name:
SARAH CHAPMAN

Title:
REGULATORY SPECIALIST

E-mail Address:
SARAH_CHAPMAN@oxy.com

Date: 10/23/2019 * Phone: 713-350-4997

OIL CONSERVATION DIVISION

Approved by:

DENIED

See Attached Cover Sheet

Approval Date:

"RT" expired 9/22/19 *
Please see attached Notices

**NM OIL CONSERVATION
ARTESIA DISTRICT**

OCT 31 2019

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

RECEIVED

5. Lease Serial No.
NMNM0545035

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
PURE GOLD MDP1 29-17 FEDERAL C 2H

1a. 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: SARAH CHAPMAN
E-Mail: SARAH_CHAPMAN@OXY.COM

3. Address P.O. BOX 4294
HOUSTON, TX 77210 3a. Phone No. (include area code)
Ph: 713-350-4997

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
Sec 29 T23S R31E Mer NMP
At surface SWSW 690FSL 1025FWL 32.270073 N Lat, 103.805041 W Lon
Sec 29 T23S R31E Mer NMP
At top prod interval reported below SWSW 124FSL 1230FWL 32.268510 N Lat, 103.804390 W Lon
Sec 17 T23S R31E Mer NMP
At total depth NWSW 2606FSL 1183FWL 32.304417 N Lat, 103.804309 W Lon

14. Date Spudded
02/28/2019 15. Date T.D. Reached
05/13/2019 16. Date Completed
☐ D & A ☒ Ready to Prod.
06/25/2019

9. API Well No.
30-015-45646

10. Field and Pool, or Exploratory
INGLE WELLS BONE SPRING

11. Sec., T., R., M., or Block and Survey
or Area Sec 29 T23S R31E Mer NMP

12. County or Parish
EDDY 13. State
NM

17. Elevations (DF, KB, RT, GL)*
3349 GL

18. Total Depth: MD 22889
TVD 9838 19. Plug Back T.D.: MD 22843
TVD 9838 20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
GAMMA RAY, MUD LOG 22. 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
6.750	5.500 SF TORQ	20.0		22843		1010	259	8700	
17.500	13.375 J-55	45.5	0	661		871	211	0	
12.250	9.625 HCL-80	43.5	0	4197		1175	375	0	
8.500	7.625 FJ/SF	26.4	0	9007		474	147	0	

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

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING	9793	22800	9793 TO 22800	0.420	1920	ACTIVE
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
9793 TO 22800	24080868GAL SLICKWATER AND 23817307# 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
07/08/2019	07/11/2019	24	→	3598.0	3254.0	11233.0			FLOW FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
128/128	SI	934.0	→	3598	3254	11233		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. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI		→						

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

ELECTRONIC SUBMISSION #490141 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

*** NEED, BLM
REVISED
ACCEPTED
COPY**



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	4119	5022	OIL, GAS, WATER	RUSTLER	426
CHERRY CANYON	5023	6276	OIL, GAS, WATER	SALADO	735
BRUSHY CANYON	6277	7990	OIL, GAS, WATER	CASTILE	2641
BONE SPRING	7991	8815	OIL, GAS, WATER	DELAWARE	4092
1ST BONE SPRING	8816	9300	OIL, GAS, WATER	BELL CANYON	4119
2ND BONE SPRING	9301	9838	OIL, GAS, WATER	CHERRY CANYON	5023
				BRUSHY CANYON	6277
				BONE SPRING	7991

32. Additional remarks (include plugging procedure):

LOG HEADER, DIIRECTIONAL SURVEY, AS DRILLED C-102, SUPPLEMENTAL AND WBD ATTACHED.

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 #490141 Verified by the BLM Well Information System.
For OXY USA INC., sent to the Carlsbad

Name (please print) SARAH CHAPMAN

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 10/29/2019

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 **

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Ken McQueen
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David R. Catanach, Division Director
Oil Conservation Division



**NOTICE TO OPERATORS
TEST ALLOWABLE
For Horizontal Wells**

5/15/2017

Operators drilling Horizontal Wells may transport oil or gas encountered during drilling, completion, or recompletion provided the operator has filed and the OCD district office has approved a Form C-104, Request for Allowable and Authorization to Transport, stating REASON FOR FILING CODE as "RT" and specifying the Ready Date of transport or 1st sales for the proposed formation or pool.

All administrative and regulatory approvals for the well must be in place before the division will approve a test allowable; i.e. NSL, NSP, DHC, Drilling Sundries. The operator should review the Conditions of Approval that the Division has noted on the Application for Permit to Drill and comply with special requirements listed by the district office for C-104 approval.

Approval of Test Allowable C-104 grants authorization not to exceed 90 days after the "Ready Date" to transport oil or gas during the drilling, completion, or recompletion processes ONLY. Oil and gas volumes produced and sold during these activities are to be designated and submitted in a timely manner on appropriate OCD and BLM forms. The approval of a Test Allowable shall not authorize production in excess of the authorized allowable.

A New Well C-104 marked as "NW" should be submitted and approved before the expiration of the 90-day "Test Allowable" to continue transportation. If all required documents are not received and approved within 90 days, the well may be shut in.

TEST ALLOWABLE REQUIREMENTS:

- 1) Operator shall file and have approved with the appropriate NMOCD district office Form C-104 designating REASON FOR FILING CODE as "RT" prior to transporting. Operator shall review Conditions of Approval on the Application for Permit to Drill before filing the C-104.
- 2) The "Ready Date" of first transport/sale must be specified on the Form C-104. To avoid impacting C-115 reporting, the Ready Date shall not be after the date of first sale.

- 3) For a "Test Allowable" C-104, the operator is not required to complete Section V "Well Test Data" Nos.31-41.
- 4) A copy of the well's deviation and/or directional survey and "As Drilled" C-102, must be provided prior to Test Allowable C-104 approval. It does not have to be a certified copy; an informational copy will suffice. The certified copy should still be submitted at a later date. Directional Surveys should be submitted as required by NMOCD Rule 19.15.16.14 NMAC. If the "As drilled" C-102 is not available at the time of submittal, please contact the appropriate District Office.
- 5) EXTENSIONS to the 90 day "RT" approval period, will be granted ONLY IN EXTRAORDINARY CIRCUMSTANCES and will require Santa Fe approval.
- 6) For wells not requiring a Test Allowable C-104, the operator will comply with Log, Completions and Workover reports; NMOCD Rule 19.15.16.19.A NMAC

PLEASE NOTE: Allow district offices sufficient time to review and approve C-104's prior to the designated Ready Date. If needed, please contact the appropriate District Office for a timeline of submittal and approval processes.

Make sure all information on C-104's & sundry filings is complete and correct.
(If not complete and correct the operator may be asked to amend the forms and resubmit)

C-104 form and instructions are available on the OCD website at:
<http://www.emnrd.state.nm.us/OCD/forms.html>

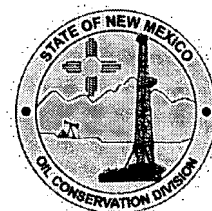
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OIL CONSERVATION DIVISION
NOTICE TO OIL AND GAS OPERATORS

**CHANGES IN DIVISION RULES FOR THE FILING OF COMPLETION REPORTS
AND HYDRAULIC FRACTURE DISCLOSURES**

On August 10, 2017, the New Mexico Oil Conservation Commission approved Order No. R-14353-B which adopted changes to two sections of the New Mexico Administrative Code (NMAC) that involve the reporting requirements to the Division by operators. The changes in NMAC are:

PART 7 FORMS AND REPORTS

19.15.7.16 WELL COMPLETION OR RECOMPLETION REPORT AND LOG (Form C-105)

The Commission approved an increase in the time period for filing the Form C-105 with the appropriate Division District office following the completion or recompletion of a well. This period has increased from 20 days to 45 days. Please remember that the proper filing of a Form C-105 includes all required supplemental documents such as test results and log suites.

PART 16 DRILLING AND PRODUCTION

19.15.16.19 LOG, COMPLETION AND WORKOVER REPORTS

Under this section, the Commission approved changes to the filing date of the completion report and the method of reporting to the Division information detailing the content of the hydraulic fracturing treatment used for the well completion. The filing period is increased to 45 days to conform with the changes in 19.15.7.16 NMAC. Furthermore, the Division will discontinue the use of its own disclosure form and operators must complete and file the FracFocus Chemical Disclosure Registry (<https://fracfocus.org/>) for reporting the content of hydraulic fracture treatments. The operator will be responsible for establishing and maintaining an account with the Registry to comply with this reporting requirement. The filing period for the disclosure will also be 45 days following the completion, recompletion, or additional hydraulic fracturing treatments of the well.

Effective date for these changes is September 26, 2017. Please review the specific content of the changes in these sections of the NMAC as provided in following link: <http://164.64.110.239/nmac/title19/T19C015.htm>. Please contact the appropriate District Supervisor or the Engineering Bureau staff in Santa Fe with any questions regarding these changes.

DAVID R. CATANACH, Director

September 26, 2017