

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 proposals.*

5. Lease Serial No.  
NMNM21640

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
PRECIOUS 30-18 FEDERAL COM 2H

9. API Well No.  
30-015-46473-00-X1

10. Field and Pool or Exploratory Area  
MESAVERDE

11. County or Parish, State  
EDDY COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
OXY USA INCORPORATED  
Contact: LESLIE REEVES  
E-Mail: LESLIE\_REEVES@OXY.COM

3a. Address  
5 GREENWAY PLAZA SUITE 110  
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)  
Ph: 713-497-2492

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 31 T23S R31E NWNW 570FNL 585FWL  
32.266605 N Lat, 103.823746 W Lon

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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	Change to Original APD
	<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 recompleat 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 revise the casing and cement design and the mud program for the subject well APD. We are also requesting to remove the Pilot Hole from this well. See attached drill plan revisions.

Note: Contingency casing, BOP break testing, offline cementing and CBL variance language has been included.

**RECEIVED**  
**FEB 26 2020**  
**EMNRD-OCD ARTESIA**

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

**Electronic Submission #500354 verified by the BLM Well Information System  
For OXY USA INCORPORATED, sent to the Carlsbad  
Committed to AFMS for processing by PRISCILLA PEREZ on 01/24/2020 (20PP1010SE)**

Name (Printed/Typed) LESLIE REEVES	Title REGULATORY ADVISOR
Signature (Electronic Submission)	Date 01/22/2020

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>NDUNGU KAMAU</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>02/25/2020</u>
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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 \*\***

*rw 2-26-20*

**Revisions to Operator-Submitted EC Data for Sundry Notice #500354**

	<b>Operator Submitted</b>	<b>BLM Revised (AFMSS)</b>
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMNM21640	NMNM21640
Agreement:		
Operator:	OXY USA INC PO 4294 HOUSTON, TX 77210 Ph: 713-497-2492	OXY USA INCORPORATED 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521 Ph: 713.350.4816
Admin Contact:	LESLIE REEVES REGULATORY ADVISOR E-Mail: LESLIE_REEVES@OXY.COM Cell: 281-733-0824 Ph: 713-497-2492	LESLIE REEVES REGULATORY ADVISOR E-Mail: LESLIE_REEVES@OXY.COM Cell: 281-733-0824 Ph: 713-497-2492
Tech Contact:	LESLIE REEVES REGULATORY ADVISOR E-Mail: LESLIE_REEVES@OXY.COM Cell: 281-733-0824 Ph: 713-497-2492	LESLIE REEVES REGULATORY ADVISOR E-Mail: LESLIE_REEVES@OXY.COM Cell: 281-733-0824 Ph: 713-497-2492
Location:		
State:	NM	NM
County:	EDDY	EDDY
Field/Pool:	PURPLE SAGE WOLFCAMP(GAS)	MESAVERDE
Well/Facility:	PRECIOUS 30-18 FEDERAL COM 2H Sec 31 T23S R31E Mer NMP NWNW 570FNL 585FWL 32.266607 N Lat, 103.823748 W Lon	PRECIOUS 30-18 FEDERAL COM 2H Sec 31 T23S R31E NWNW 570FNL 585FWL 32.266605 N Lat, 103.823746 W Lon

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	Oxy USA Incorporated
<b>LEASE NO.:</b>	NMNM021640
<b>WELL NAME &amp; NO.:</b>	2H - PRECIOUS 30-18 FEDERAL COM
<b>SURFACE HOLE FOOTAGE:</b>	570'N & 585'W
<b>BOTTOM HOLE FOOTAGE:</b>	2621'S & 1210'W
<b>LOCATION:</b>	SECTION 31, T23S, R31E, NMPM
<b>COUNTY:</b>	EDDY

COA

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input type="radio"/> None	<input type="radio"/> Secretary	<input checked="" type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input type="radio"/> Multibowl	<input checked="" type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input checked="" type="checkbox"/> Fluid Filled	<input checked="" type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

Break Testing	<input type="radio"/> Yes	<input type="radio"/> No
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**ALL PREVIOUS COAs STILL APPLY.**

### A. CASING

#### Primary Casing Design:

1. The 13-3/8 inch surface casing shall be set at approximately 411 feet (a minimum of 70 feet (Eddy County) 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 **24 hours in the Potash Area** 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 intermediate casing is:

**Option 1 (Single Stage):**

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or 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 cave/karst or potash.**

3. The minimum required fill of cement behind the 5 1/2 x 4 1/2 inch production casing is:

**Option 1 (Single Stage):**

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.

**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.

**Operator has proposed to pump down 9-5/8" X 5-1/2" annulus. Operator must run a CBL from TD of the 5-1/2" casing to surface. Submit results to BLM. Excess calculates to 7% - additional cement might be required.**

**Alternate Casing Design:**

**2<sup>nd</sup> 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 2<sup>nd</sup> intermediate casing is:

**Option 1 (Single Stage):**

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or 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.

- c. 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.
- d. 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 cave/karst or potash.**

**Operator has proposed to pump down 9-5/8" X 7-5/8" annulus. Operator must run a CBL from TD of the 7-5/8" casing to surface. Submit results to BLM. Excess calculates to 20% - additional cement might be required.**

4. The minimum required fill of cement behind the 5-1/2 inch production casing is:
  - Cement should tie-back **500 feet** into the previous casing. Operator shall provide method of verification.

#### **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).'
- 2.

##### **Option 1:**

- a. 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.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **3000 (3M)** psi.

##### **Option 2:**

1. 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 **3000 (3M)** 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. 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.

#### **C. SPECIAL REQUIREMENT (S)**

### **Communitization Agreement**

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

### **Offline Cementing**

Contact the BLM prior to the commencement of any offline cementing procedure.

### **BOP Break Testing Variance**

- BOP break testing is not permitted on this well.

**NMK02252020**