

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

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 reverse side.

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

2. Name of Operator **OXY USA Inc.** 16696

3a. Address
P.O. Box 50250 Midland, TX 79710

3b. Phone No. (include area code)
432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SL-360 FSL 590 FEL SESE(P) Sec 33 T23S R3LE
/BH-330 FNL 590 FEL NESE(A) " " "

5. Lease Serial No.

NMNM 45236

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Sterling Silver 33 Federal #44

9. API Well No.

30-015-39831

10. Field and Pool, or Exploratory Area

Tringle Wells Bone Springs

11. County or Parish, State

Eddy NM

12. CHECK 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	☐ Fracture Treat	☐ 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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SEE ATTACHED

Accepted for record

NMOCD

Tes
5/4/2012

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

MAY 03 2012

NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title **Regulatory Advisor**

Signature

[Signature]

Date

4/30/12

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

PETROLEUM ENGINEER

Approved by

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.

Title

Office

MAY - 1 2012

BUREAU OF LAND MANAGEMENT

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)

OXY USA Inc. – Amend APD
 Sterling Silver 33 Federal #1H
 SL - 360 FSL 590 FEL SESE(P) Sec 33 T23S R31E
 BHL - 330 FNL 590 FEL NENE(A) Sec 33 T23S R31E
 Eddy County, NM

Pilot Hole - 10505' TVD

After drilling the pilot hole to 10505'TVD, the original target @ 8770'TVD did not look as good as expected. The 2nd Bone Spring sand @ 10030' TVD has been selected as the new primary target with new KOP at 9316'. Due to this, the type of production casing, cementing program and directional plan have been changed. Also lost circulation was encountered while drilling between 7600-8200', a cement plug will be pumped across this section to avoid issues while drilling the curve and lateral section.

Proposed TD: Horizontal Lateral 10030' TVD 14331' TMD

Casing Program:

<u>Hole</u> <u>Size</u>	<u>Interval</u>	<u>OD Csg</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>	<u>Condition</u>	<u>Collapse</u> <u>Design</u> <u>Factor</u>	<u>Burst</u> <u>Design</u> <u>Factor</u>	<u>Tension</u> <u>Design</u> <u>Factor</u>
8-3/4"	14331' M	5-1/2"	17	BT&C	L-80	New	1.31	2.04	1.83
DVT @ 8000' - POST @ 4340'				Hole filled with 9.2# Mud			6280#	7740#	

Collapse and burst loads calculated using Stress Check with anticipated loads

Cement Program:

5-1/2" Production Cement 1st stage w/ 1690sx Super H w/ .5% Halad-344 + .4% CFR-3 + 3#/sx Kol-Seal + .15% HR-601 + .125#/sx Poly-E-Flake, 13.2ppg 1.61 yield 1477# 24hr CS 85% Excess, Calc TOC - 7995'
 Cement 2nd stage w/ 800sx HES Light PP cmt Super H w/ 3#/sx Kol-Seal + .1% HR-601 + 3#/sx salt, 12.4ppg 2.11 yield 500# 24hr CS 125% Excess followed by 150sx PP cmt w/ 1% CaCl2, 14.8ppg 1.35 yield 1907# 24hr CS 35% Excess, Calc TOC - 4335'
 Cement 3rd stage w/ 650sx HES Light PP cmt w/ 3#/sx Salt, 12.4ppg 2.08 yield 511# 24hr CS 35% Excess followed by 150sx PP cmt w/ 2% CaCl2, 14.8ppg 1.35 yield 2025# 24hr CS 35% Excess, Circ Surface

Pilot Hole Plug Cement w/ 480sx 50/50 Poz/C cmt w/ .3% CFR-3 + .15% HR-601, 14.4ppg 1.25 yield 1833# 24hr CS 35% excess from 10505' to +/- 9500' followed by 190sx PP cmt w/ 3% KCl + .75% CFR-3 + .25% HR-601, 17.5ppg .96 yield 4550# 24hr CS 35% Excess from 9500 to +/- 9100' followed by 280sx PPC w/ .4% CFR-3, 15.6ppg, 1.19 yield 1990# 24hr CS 35% Excess from 8200 to +/- 7600'.

The above cement volumes could be revised pending the caliper measurement.



Sterling Silver 33 Com #1H Lateral Eddy Co, NM

SECTION DETAILS

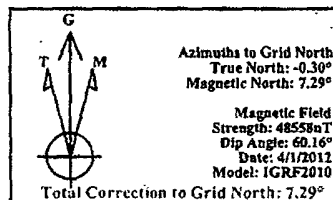
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	9278.00	0.80	265.50	9273.66	-12.44	-16.73	0.00	0.00	-12.35	
2	9316.01	0.81	259.00	9311.67	-12.51	-17.26	0.24	272.99	-12.42	
3	10443.37	90.00	0.02	10030.00	703.95	-26.96	8.00	101.02	704.09	
4	14331.21	90.00	0.02	10030.00	4591.80	-25.50	0.00	0.00	4591.87	Pbhl

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
#1H	0.00	0.00	456763.90	672408.50	32°15'16.308N	103°46'32.250W	N/A

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Pbhl	10030.00	4591.80	-25.50	461355.70	672383.00	Point

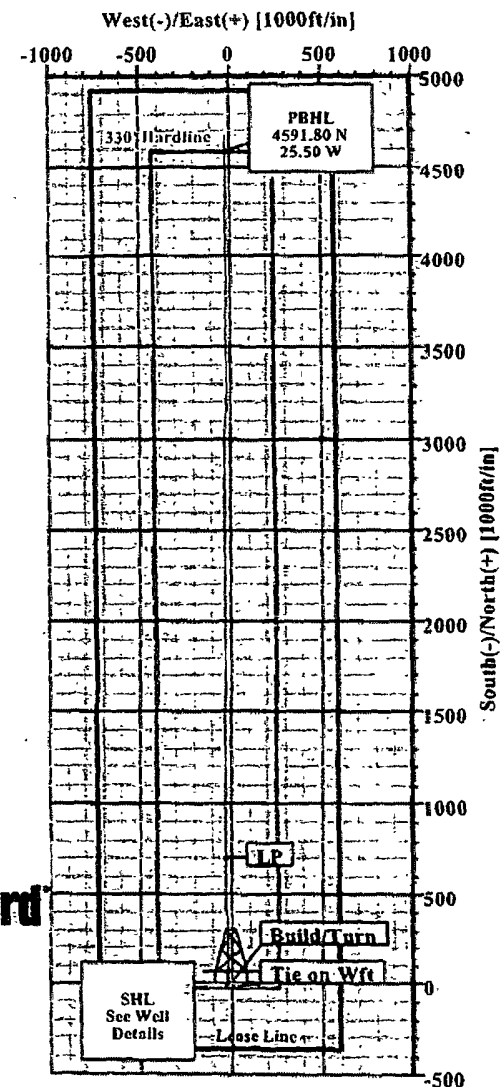
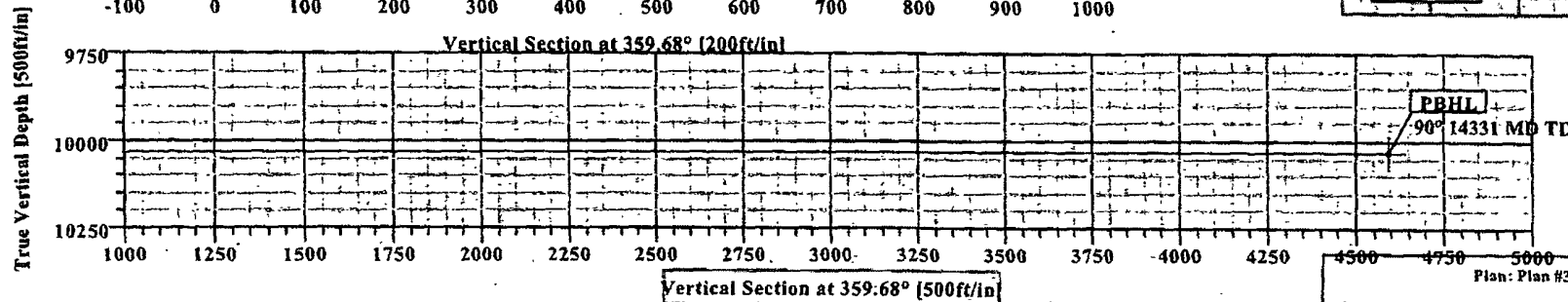
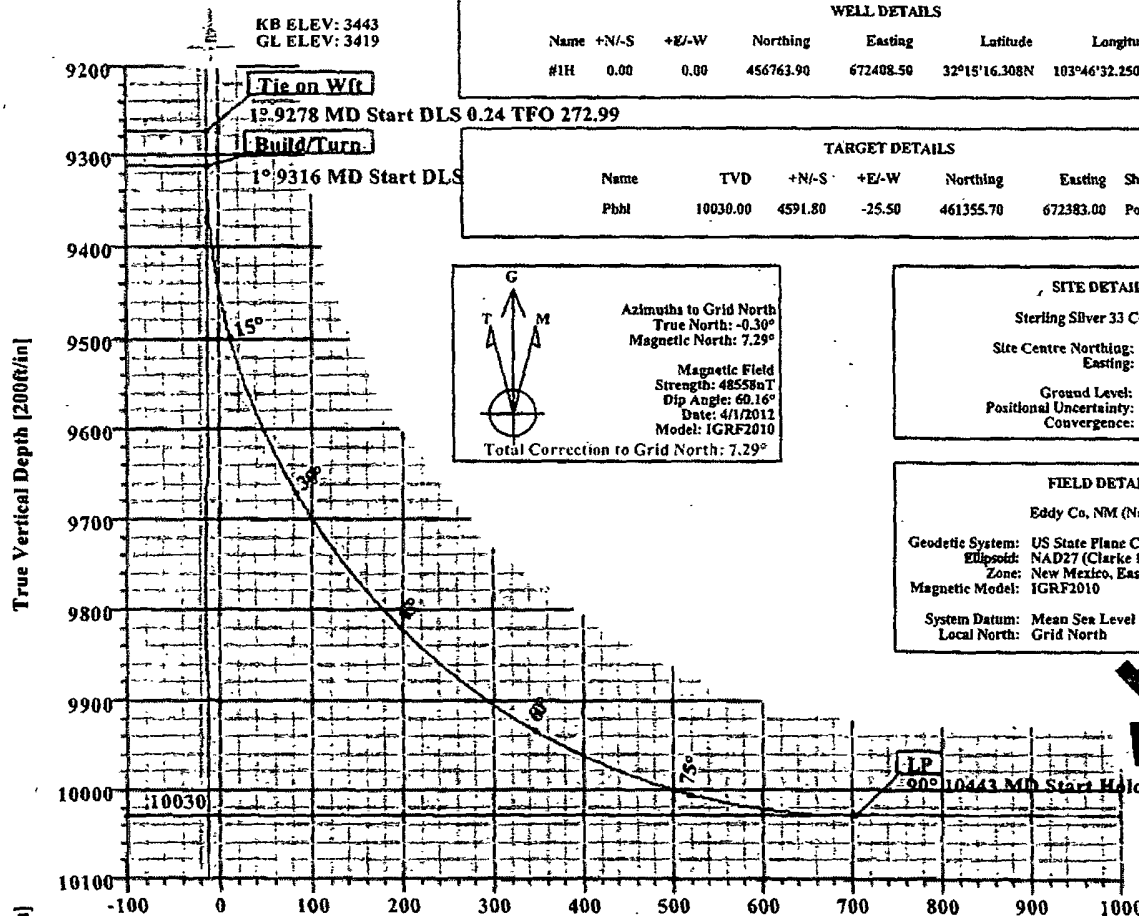


SITE DETAILS

Sterling Silver 33 Com #1H
Site Centre Northing: 456763.90
Easting: 672408.50
Ground Level: 3419.00
Positional Uncertainty: 0.00
Convergence: 0.30

FIELD DETAILS

Eddy Co, NM (Nad 27)
Geodetic System: US State Plane Coordinate System 1927
Ellipsoid: NAD27 (Clarke 1866)
Zone: New Mexico, Eastern Zone
Magnetic Model: IGRF2010
System Datum: Mean Sea Level
Local North: Grid North



Created By: Patrick Rudolph

Date: 4/29/2012



Weatherford International Ltd.

WFT Plan Report - X & Y's



Weatherford

Company:	Occidental Permian Ltd.	Date:	4/29/2012	Time:	11:21:50	Page:	1
Field:	Eddy Co, NM (Nad 27)	Co-ordinate(NE) Reference:	Well: #1H Grid(North)				
Site:	Sterling Silver 33 Com #1H	Vertical (TVD) Reference:	SITE 3443.0				
Well:	#1H	Section (VS) Reference:	Well (0.00N 0.00E 359.68AZI)				
Wellpath:	Lateral	Survey Calculation Method:	Minimum Curvature			Db:	Sybase

Plan:	Plan #3	Date Composed:	4/29/2012
Principal:	Yes	Version:	1
		Tied-to:	User Defined

Field:	Eddy Co, NM (Nad 27)		
Map System:	US State Plane Coordinate System 1927	Map Zone:	New Mexico, Eastern Zone
Geo Datum:	NAD27 (Clarke 1866)	Coordinate System:	Well Centre
Sys Datum:	Mean Sea Level	Geomagnetic Model:	IGRF2010

Site:		Sterling Silver 33 Corn #1H							
Site Position:		Northing:	456763.90	ft	Latitude:	32	15	16.308	N
From:	Map	Easting:	672408.50	ft	Longitude:	103	46	32.250	W
Position Uncertainty:			0.00	ft	North Reference:				Grid
Ground Level:			3419.00	ft	Grid Convergence:			0.30	deg

Well:	#1H	Slot Name:	
Well Position:	+N/-S 0.00 ft	Northing:	456763.90 ft
	+E/-W 0.00 ft	Easting:	672408.50 ft
Position Uncertainty:	0.00 ft	Latitude:	32 15 16.308 N
		Longitude:	103 46 32.250 W

Wellpath:	Lateral	Drilled From:	Pilot
Current Datum:	SITE	Tie-on Depth:	10505.00 ft
Magnetic Data:	4/1/2012	Above System Datum:	Mean Sea Level
Field Strength:	48558 nT	Declination:	7.59 deg
Vertical Section:	Depth From (TVD)	Mag Dip Angle:	60.16 deg
	ft	+E/-W	Direction
		ft	deg
	0.00	0.00	0.00
			359.68

Plan Section Information

MD	Incl	Azim	TVD	+N/-S	+E/-W	DLS	Build	Turn	TFO	Target
ft	deg	deg	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg	
9278.00	0.80	265.50	9273.66	-12.44	-16.73	0.00	0.00	0.00	0.00	
9316.01	0.81	259.00	9311.67	-12.51	-17.26	0.24	0.03	-17.10	272.99	
10443.37	90.00	0.02	10030.00	703.95	-26.96	8.00	7.91	8.96	101.02	
14331.21	90.00	0.02	10030.00	4591.80	-25.50	0.00	0.00	0.00	0.00	Pbhl

Survey

MD	Incl	Azim	TVD	N/S	E/W	VS	DLS	MapN	MapE	Comment
ft	deg	deg	ft	ft	ft	ft	deg/100ft	ft	ft	
9278.00	0.80	265.50	9273.66	-12.44	-16.73	-12.35	0.00	456751.46	672391.77	Tie on Wft
9300.00	0.80	261.72	9295.66	-12.47	-17.04	-12.38	0.24	456751.43	672391.46	
9316.01	0.81	259.00	9311.67	-12.51	-17.26	-12.42	0.24	456751.39	672391.24	Build/Turn
9350.00	2.68	342.80	9345.64	-11.80	-17.73	-11.70	8.00	456752.10	672390.77	
9400.00	6.61	353.14	9395.47	-7.82	-18.42	-7.72	8.00	456756.08	672390.08	
9450.00	10.59	355.76	9444.90	-0.38	-19.10	-0.27	8.00	456763.52	672389.40	
9500.00	14.58	356.96	9493.69	10.49	-19.78	10.60	8.00	456774.39	672388.72	
9550.00	18.57	357.65	9541.60	24.74	-20.44	24.85	8.00	456788.64	672388.06	
9600.00	22.57	358.11	9588.40	42.29	-21.08	42.41	8.00	456806.19	672387.42	
9650.00	26.57	358.43	9633.86	63.07	-21.70	63.19	8.00	456826.97	672386.80	
9700.00	30.56	358.67	9677.77	86.96	-22.30	87.08	8.00	456850.86	672386.20	
9750.00	34.56	358.87	9719.90	113.86	-22.88	113.98	8.00	456877.76	672385.62	
9800.00	38.56	359.02	9760.06	143.63	-23.42	143.76	8.00	456907.53	672385.08	
9850.00	42.55	359.16	9798.04	176.13	-23.94	176.26	8.00	456940.03	672384.56	
9900.00	46.55	359.27	9833.66	211.20	-24.42	211.33	8.00	456975.10	672384.08	
9950.00	50.55	359.37	9866.75	248.66	-24.86	248.80	8.00	457012.56	672383.64	
10000.00	54.55	359.46	9897.15	288.35	-25.27	288.48	8.00	457052.25	672383.23	



Weatherford International Ltd.

WFT Plan Report - X & Y's



Weatherford

Company: Occidental Petroleum Ltd
Field: Eddy Co NM (Nad 27)
Site: Sterling Silver 33 Com #1H
Well: #1H
Wellpath: Lateral

Date: 4/29/2012
Co-ordinate(NE) Reference: Well: #1H Gnd(North)
Vertical (TVD) Reference: SITE 3443.0
Section (VS) Reference: Well(0.00N,0.00E,359.68Azi)
Survey Calculation Method: Minimum Curvature
Db: Sybase

Survey

MD	Incl deg	Azimuth deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
10050.00	58.55	359.54	9924.71	330.05	-25.64	330.19	8.00	457093.95	672382.86	
10100.00	62.54	359.61	9949.29	373.58	-25.96	373.72	8.00	457137.48	672382.54	
10150.00	66.54	359.68	9970.78	418.72	-26.24	418.85	8.00	457182.62	672382.26	
10200.00	70.54	359.74	9989.07	465.24	-26.48	465.38	8.00	457229.14	672382.02	
10250.00	74.54	359.80	10004.07	512.93	-26.67	513.07	8.00	457276.83	672381.83	
10300.00	78.54	359.86	10015.70	561.54	-26.81	561.68	8.00	457325.44	672381.69	
10350.00	82.53	359.92	10023.92	610.85	-26.91	610.99	8.00	457374.75	672381.59	
10400.00	86.53	359.97	10028.69	660.61	-26.96	660.75	8.00	457424.51	672381.54	
10443.37	90.00	0.02	10030.00	703.95	-26.96	704.09	8.00	457467.85	672381.54	LP
10500.00	90.00	0.02	10030.00	760.59	-26.94	760.72	0.00	457524.49	672381.56	
10600.00	90.00	0.02	10030.00	860.59	-26.90	860.72	0.00	457624.49	672381.60	
10700.00	90.00	0.02	10030.00	960.59	-26.86	960.72	0.00	457724.49	672381.64	
10800.00	90.00	0.02	10030.00	1060.59	-26.82	1060.72	0.00	457824.49	672381.68	
10900.00	90.00	0.02	10030.00	1160.59	-26.79	1160.72	0.00	457924.49	672381.71	
11000.00	90.00	0.02	10030.00	1260.59	-26.75	1260.72	0.00	458024.49	672381.75	
11100.00	90.00	0.02	10030.00	1360.59	-26.71	1360.71	0.00	458124.49	672381.79	
11200.00	90.00	0.02	10030.00	1460.59	-26.67	1460.71	0.00	458224.49	672381.83	
11300.00	90.00	0.02	10030.00	1560.59	-26.64	1560.71	0.00	458324.49	672381.86	
11400.00	90.00	0.02	10030.00	1660.59	-26.60	1660.71	0.00	458424.49	672381.90	
11500.00	90.00	0.02	10030.00	1760.59	-26.56	1760.71	0.00	458524.49	672381.94	
11600.00	90.00	0.02	10030.00	1860.59	-26.52	1860.71	0.00	458624.49	672381.98	
11700.00	90.00	0.02	10030.00	1960.59	-26.49	1960.70	0.00	458724.49	672382.01	
11800.00	90.00	0.02	10030.00	2060.59	-26.45	2060.70	0.00	458824.49	672382.05	
11900.00	90.00	0.02	10030.00	2160.59	-26.41	2160.70	0.00	458924.49	672382.09	
12000.00	90.00	0.02	10030.00	2260.59	-26.37	2260.70	0.00	459024.49	672382.13	
12100.00	90.00	0.02	10030.00	2360.59	-26.34	2360.70	0.00	459124.49	672382.16	
12200.00	90.00	0.02	10030.00	2460.59	-26.30	2460.69	0.00	459224.49	672382.20	
12300.00	90.00	0.02	10030.00	2560.59	-26.26	2560.69	0.00	459324.49	672382.24	
12400.00	90.00	0.02	10030.00	2660.59	-26.22	2660.69	0.00	459424.49	672382.28	
12500.00	90.00	0.02	10030.00	2760.59	-26.19	2760.69	0.00	459524.49	672382.31	
12600.00	90.00	0.02	10030.00	2860.59	-26.15	2860.69	0.00	459624.49	672382.35	
12700.00	90.00	0.02	10030.00	2960.59	-26.11	2960.69	0.00	459724.49	672382.39	
12800.00	90.00	0.02	10030.00	3060.59	-26.07	3060.68	0.00	459824.49	672382.43	
12900.00	90.00	0.02	10030.00	3160.59	-26.04	3160.68	0.00	459924.49	672382.46	
13000.00	90.00	0.02	10030.00	3260.59	-26.00	3260.68	0.00	460024.49	672382.50	
13100.00	90.00	0.02	10030.00	3360.59	-25.96	3360.68	0.00	460124.49	672382.54	
13200.00	90.00	0.02	10030.00	3460.59	-25.92	3460.68	0.00	460224.49	672382.58	
13300.00	90.00	0.02	10030.00	3560.59	-25.89	3560.68	0.00	460324.49	672382.61	
13400.00	90.00	0.02	10030.00	3660.59	-25.85	3660.67	0.00	460424.49	672382.65	
13500.00	90.00	0.02	10030.00	3760.59	-25.81	3760.67	0.00	460524.49	672382.69	
13600.00	90.00	0.02	10030.00	3860.59	-25.77	3860.67	0.00	460624.49	672382.73	
13700.00	90.00	0.02	10030.00	3960.59	-25.74	3960.67	0.00	460724.49	672382.76	
13800.00	90.00	0.02	10030.00	4060.59	-25.70	4060.67	0.00	460824.49	672382.80	
13900.00	90.00	0.02	10030.00	4160.59	-25.66	4160.66	0.00	460924.49	672382.84	
14000.00	90.00	0.02	10030.00	4260.59	-25.62	4260.66	0.00	461024.49	672382.88	
14100.00	90.00	0.02	10030.00	4360.59	-25.59	4360.66	0.00	461124.49	672382.91	
14200.00	90.00	0.02	10030.00	4460.59	-25.55	4460.66	0.00	461224.49	672382.95	
14300.00	90.00	0.02	10030.00	4560.59	-25.51	4560.66	0.00	461324.49	672382.99	
14331.21	90.00	0.02	10030.00	4591.80	-25.50	4591.87	0.00	461355.70	672383.00	Pbhl



Weatherford International Ltd.

WFT Plan Report - X & Y's



Weatherford

Company: Occidental Petroleum Ltd. Date: 4/29/2012 Time: 11:21:50 Page: 1 of 3
Field: Eddy Co NM (Nad 27) Co-ordinate (NE) Reference: Well: #1H Grd North
Site: Sterling Silver 33 Com #1H Vertical (TVD) Reference: SITE 3443.0
Well: #1H Section (VS) Reference: Well (0.00N 0.00E 359.68AZ)
Wellpath: Lateral Survey Calculation Method: Minimum Curvature Db: Sybase

Targets

Name	Description	TVD	N-S	E-W	Map Northing	Map Easting	Latitude	Longitude
Dip	Dir	ft	ft	ft	ft	ft	Deg Min Sec	Deg Min Sec
Pbhl		10030.00	4591.80	-25.50	461355.70	672383.00	32 16 1.749 N	103 46 32.269 W

Casing Points

MD	TVD	Diameter	Hole Size	Name
ft	ft	in	in	

Annotation

MD	TVD	
ft	ft	
9278.00	9273.66	Tie on Wft
9316.01	9311.67	Build/Turn
10443.37	10030.00	LP
14331.21	10030.00	PBHL

Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction
ft	ft			deg	deg
	0.00	T Upper Avalon Shale		0.00	0.00
	0.00	T Lower Avalon Shale		0.00	0.00
9097.83	9093.51	Target Lower Avalon Shale		0.00	0.00

Revised target per OXY:
10443' 10030' 2nd Bone Spring

4/30/2012 TMM

Sterling Silver 33 Federal #1H

OXY USA, Inc.

30-015-39831

May 1, 2012

Conditions of Approval

Summary of Current Status:

- Currently being drilled with pilot hole plugback in progress on 4/30/2012.
- APD approved for completion in the Avalon Shale of the Bone Springs
- Operator has received oral approval on 1700 hrs 30 April 2012 for the pilot hole plugback procedure.

Current Sundry Requests:

1. To complete in the 2nd Bone Springs at 10030' TVD instead of the Avalon Shale at 8770' TVD.
2. To upgrade casing and cement program for additional tensile and collapse rating.
3. To modify directional drilling plan for the deeper drainhole.

Conditions of Approval:

a) Original COA still applies.

1. **8-3/4" Pilot Hole:** The pilot hole plug procedure is approved.
2. **Cement Plug for Curing Losses** - Use of the cement plug for curing lost circulation from 7600' – 8200' is approved. Should additional plugs be needed, the Operator has the option to repeat the plug placement. BLM recommends the Operator utilize check shot surveys in this interval, after drilling the LC plugs and prior to kickoff.
3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - a. First stage to DV tool:
☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - b. Second stage above DV tool:
☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with third stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - c. Third stage above DV tool:
☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.
4. **R-111-P Requirements** - Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

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