

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM99016
2. Name of Operator OXY USA WTP LP		6. If Indian, Allottee or Tribe Name
3a. Address HOUSTON, TX 77210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 713-513-6640		8. Well Name and No. OSAGE 18 FEE C COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T20S R25E Lot 4 480FSL 840FWL		9. API Well No. 30-015-40761-00-X1
		10. Field and Pool, or Exploratory N SEVEN RIVERS-GLOR-YESO
		11. County or Parish, and State EDDY COUNTY, NM

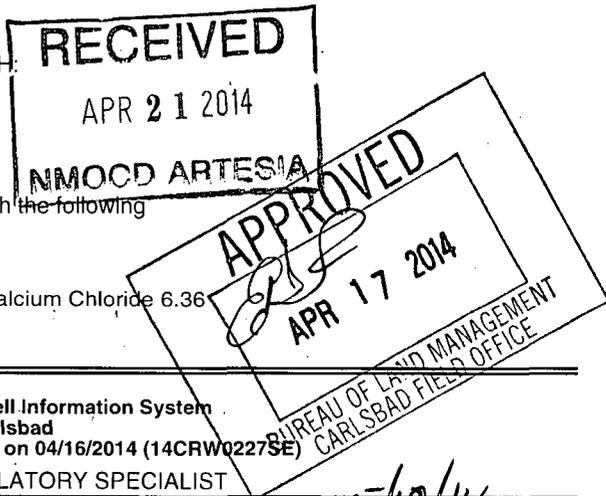
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Change to Original APD

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 shall 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 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.)

In order to minimize rig time and potential losses while drilling our surface hole, Oxy respectfully submits the following proposed sundry for the Osage 18 Fee C Com #1H:

? Drill out of out of our 16? preset conductor with a 14-3/4? bit
 ? Drill to 350? (depth based on known loss depths reported to BLM)
 ? If no losses continue drilling to COA depth of 660?
 o If we do not see losses at TD we will run the following:
  8-5/8? 32# J-55 LTC casing to 660? (per original COA) and cemented with the following
 (14.75? OH to 660?):
 Interval Amount sx Ft of Fill Type Gal/Sk PPG Ft3/sk 24 Hr Comp
 Surface (TOC: 0? ? 660?)
 Tail: 1350 660? Premium Plus cement with 94 lbm/sk Premium Plus Cement, 1% Calcium Chloride 6.36



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

Electronic Submission #242115 verified by the BLM Well Information System For OXY USA WTP LP, sent to the Carlsbad Committed to AFMSS for processing by CHRISTOPHER WALLS on 04/16/2014 (14CRW0227SE)

Name (Printed/Typed) JENNIFER A DUARTE	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 04/14/2014

Accepted for record 5/18/14 NMOC D

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ	Title PETROLEUM ENGINEER	Date 04/17/2014
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.

Additional data for EC transaction #242115 that would not fit on the form

32. Additional remarks, continued

14.8 1.34 1408 psi
0?-660?
(250 % Excess)

? If we see losses while drilling the 14-3/4" hole we will attempt to heal while drilling ? if unsuccessful we will set a deep conductor at 350'

o It will be a string of 11-3/4" 42# H-40 STC casing ? cemented in the 14-3/4" hole:

Interval Amount sx Ft of Fill Type Gal/Sk PPG Ft3/sk 24 Hr Comp

Surface (TOC: 350')

Lead: 400 - Premium plus C cement, 10 lb/sk Cal-Seal 60, 0.125 lb/sk Pol-E-Flake, 10 lb/sk

Kol-Seal, 1% Calcium Chloride 7.59 14.2 1.68 798

Tail: (0'-350') (250% excess) 400 350 Premium Plus cement with 94 lbm/sk Premium Plus Cement, 1% Calcium Chloride 6.36 14.8 1.34 1408 psi

? If we have run and cemented the 11-3/4" casing as a conductor but do not see cement to surface during the primary job, we request permission to wait until the cement has 70Bc of thickness ?

enough to take weight to tag with one inch pipe ? based on the lab results this is 2:20

(hrs:minutes) for the thixotropic lead cement ? and then perform our top job

o Also, we request permission to eliminate the temperature survey requirement if we have to perform a top job

o Oxy asks the BLM to consider the 11-3/4" casing as a deep conductor ? we will not test this casing, install a wellhead or BOP, and will not perform a FIT test after drilling out because this casing is not designed to hold any pressure.

? After cementing the 11-3/4" deep conductor we request permission to drill out after the lead cement reaches 500 psi compressive strength with a 10-5/8" bit

? After drilling to the COA depth of 660' we will cement our originally planned 8-5/8" casing per our original COA.

Please let us know if you have any questions and if we have permission to proceed with the plan as described above.

CONDITIONS OF APPROVAL

Sundry dated 4/14/2014

OPERATOR'S NAME:	OXY USA INC
LEASE NO.:	NM99016
WELL NAME & NO.:	Osage 18 Fee C Com 1H -30-015-40761
LOCATION:	Section 18, T. 20 S., R. 25 E., NMPM
COUNTY:	Eddy County, New Mexico.

Original COA still stands with the following modifications:

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

HIGH CAVE/KARST – CONTINGENCY CASING WILL BE REQUIRED IF LOST CIRCULATION OCCURS WHILE DRILLING THE SURFACE HOLE. THE SURFACE HOLE WILL HAVE TO BE REAMED AND A LARGER CASING INSTALLED AND THE BLM IS TO BE CONTACTED PRIOR TO RUNNING THE CASING.

THIS SUNDRY DATED 4/14/2014, WILL HANDLE THE CONTINGENCY CASING OPTION.

A MINIMUM OF TWO CASING STRINGS CEMENTED TO SURFACE IS REQUIRED IN HIGH CAVE/KARST AREAS. THE CEMENT MUST BE IN A SOLID SHEATH THEREFORE, ONE INCH OPERATIONS WILL NOT BE PERMITTED. A DV TOOL WILL BE REQUIRED.

Possible lost circulation in the San Andres formation.

1. The 8-5/8 inch surface casing shall be set at approximately 660 feet 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 is to include the lead and tail cement slurry.**
- 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.
- e. The BLM will no longer approve a tag with 1" to determine cement top. 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.

CONTINGENCY CASING or Deep Conductor

If losses are seen while drilling the 14-3/4" surface hole the operator proposes to run 11-3/4" casing 24# H-40 STC to 350'

- 2. The minimum required fill of cement behind the 11-3/4 inch contingency casing or deep conductor shall be 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. IF Operator can get a BLM field inspector to witness tagging with one inch pipe to determined top of cement; then the temp log requirements may be eliminated (The tagging shall be witness and documented by a BLM field inspector)
 - c. OXY request to NOT test this casing, install a wellhead or BOP, and will not perform a FIT test after drilling; this is approved as requested.
 - d. After cementing the 11-3/4" contingency casing or deep conductor; **wait on cement (WOC) time for a primary cement job is to include the lead and tail cement slurry due to cave/karst.**

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