

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Carlsbad Field Office
OCD Artesia

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. | | 7. If Unit or CA/Agreement, Name and/or No. |
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 8. Well Name and No. PATTON MDP1 18 FEDERAL 6H | |
| 2. Name of Operator OXY USA INCORPORATED | Contact: DAVID STEWART E-Mail: david_stewart@oxy.com | 9. API Well No. 30-015-43854-00-X1 |
| 3a. Address 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521 | 3b. Phone No. (include area code) Ph: 432.685.5717 | 10. Field and Pool, or Exploratory HACKBERRY UNKNOWN |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T24S R31E NENE 150FNL 505FEL | | 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"/> 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"/> Fracture Treat | <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 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.)

OXY USA Inc. respectfully requests approval for the following changes to the approved APD:

- 1. Amend casing/cementing program - Change production casing setting depth and run liner string.

Production Casing - 7-5/8" new casing @ 0-12063'M, 9-7/8" hole
a. 7-5/8" 29.7# L-80 BTC new csg @ 0-7500'M
SF Coll-1.22 SF Burst-1.23 SF Ten-1.63
b. 7-5/8" 29.7# HCL-80 BTC new csg @ 7500-9900'M
SF Coll-1.13 SF Burst-1.22 SF Ten-2.97
c. 7-5/8" 29.7# HCP-110 BTC new csg @ 9900-12063'M
SF Coll-1.14 SF Burst-1.78 SF Ten-5.56

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**NM OIL CONSERVATION
ARTESIA DISTRICT**

AUG 17 2016

| | | | |
|--|-------------------------|--|--------------------|
| 14. I hereby certify that the foregoing is true and correct. | | Electronic Submission #345681 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 07/25/2016 (16PP1811SE) | |
| Name (Printed/Typed) | DAVID STEWART | Title | REGULATORY ADVISOR |
| Signature | (Electronic Submission) | Date | 07/25/2016 |

Accepted for record
NMOCD
R. L. B.

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | | | |
|---|-------|---------------------------|------|------------|
| Approved By (BLM Approver Not Specified) <u>Mustafa Hague</u> | Title | PETROLEUM ENGINEER | Date | 08/08/2016 |
| 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 #345681 that would not fit on the form

32. Additional remarks, continued

Liner String

4-1/25" 13.5# P-110 BTC new csg @ 10856-16227'M. 6-3/4" hole
SF Coll-1.54 SF Burst-1.25 SF Ten-2.21

Production - Cement w/ 810sx Tuned Light (TM) system cmt w/ 3#/sx Kol-Seal + .125#/sx Poly-E-Flake + .8% HR-601, 10.3ppg 3.05 yield, 500# CS in 15.07hr, 75% Excess followed by 450sx Super H cmt w/ 3#/sx salt + .1% HR-800 + .3% CFR-3 + .5% HR-344 + 2#/sx Kol-Seal, 13.2ppg 1.65 yield, 500# CS in 12.57hr, 125% Excess. TOC @ 3858' ~~3775'~~

Liner - Cement w/ 540sx Super H cmt w/ 3#/sx salt + .1% HR-800 + .4% CFR-3 + .5% HR-344, 13.2ppg 1.63 yield, 500# CS in 15.15hr, 15% Excess. TOC @ 10856'

Description of Cement Additives: Salt (Accelerator); CFR-3 (Dispersant); Kol-Seal, Poly-E-Flake (Lost Circulation Additive); HR-344 (Low Fluid Loss Control); HR-601, HR-800 (Retarder)
The above cement volumes could be revised pending the caliper measurement.

2. Mud program - drill pilot hole with WBM instead of OBM.

| Depth | Mud WT | Vis | Sec | Fluid Loss | Type |
|-------------|-----------|-------|-------|------------|------|
| 12063'-PHTD | 10.0-13.5 | 42-48 | <10cc | WBM | |

WBM will provide the best fluid properties required for the wirteline logs.

3. Revise Pilot Hole Cementing Program, plan to fill entire pilot hole section.

a. 13812-13112'M - Cement w/ 165sx VersaCem H cmt w/ .2% HR-601 + .5% GasStop, 15.6ppg 1.19 yield, 40% Excess.

b. 13112-12512'M - Cement w/ 140sx VersaCem H cmt w/ 50% Poz, 2% Bentonite + .3% CFR-3, 14.4ppg 1.246 yield, 40% Excess.

c. 12512-11912'M - Cement w/ 140sx VersaCem H cmt w/ 50% Poz, 2% Bentonite + .3% CFR-3, 14.4ppg 1.246 yield, 40% Excess.

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

| | |
|-----------------------|------------------------------------|
| OPERATOR'S NAME: | Oxy USA, Inc. |
| LEASE NO.: | NMNM89819 |
| WELL NAME & NO.: | 6H-Patton MDP1 18 Federal |
| SURFACE HOLE FOOTAGE: | 150'/N & 505'/E |
| BOTTOM HOLE FOOTAGE: | 230'/S & 354'/E |
| LOCATION: | Section 18, T.24 S., R.31 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

A. CASING

All previous COAs still apply except the following:

1. The minimum required fill of cement behind the 7-5/8 inch production casing is:

- Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification. **Excess calculates to 23% - Additional cement might be required.**

Formation below the 7-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office.

Pilot hole is required to have a plug at the bottom of the hole. If two plugs are set, the BLM is to be contacted (575-361-2822) prior to tag of bottom plug, which must be a minimum of 200 feet in length. Operator can set one plug from bottom of pilot hole to kick-off point and save the WOC time for tagging the first plug. Top of Wolfcamp plug is required, tagged and witness. Proposed plug is approved as written.

2. The minimum required fill of cement behind the 4-1/2 inch production liner is:

- Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification. **Excess calculates to 16% - Additional cement might be required.**

MHH 08082016