

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION

ARTESIA DISTRICT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

DEC 22 2016

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.
N.M. 94651

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
CEDAR CANYON 28-27 FEDERAL COM 5H

2. Name of Operator
OXY USA INC.
Contact: DAVID STEWART
E-Mail: david_stewart@oxy.com

9. API Well No.
30-015-43645

3a. Address
P.O. BOX 50250
MIDLAND, TX 79710

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

10. Field and Pool or Exploratory Area
PIERCE CROSSING BN SPRG E

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 29 T24S R29E SENE 1990FNL 180FEL
32.190207 N Lat, 103.998657 W Lon

11. County or Parish, State
EDDY COUNTY, NM

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 Change to Original APD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 must 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 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 approval for the following changes to the approved APD:

Amend casing/cementing program - Amend for surface casing setting depth and run production liner. OXY is requesting permission to have minimum fill of cement behind 5-1/2" liner to be 100' into the production casing. The reason for this is so OXY can come back and develop shallower benches from the same 9-5/8" mainbore in the future.

Surface Casing
13-3/8" 54.5# J55 BTC new csg @ 0-450' 17-1/2" hole
SF Coll-5.43 SF Burst-1.34 SF Body Ten-2.47 SF Joint Ten-2.64

Production Casing - 9-5/8" new casing @ 0-8165'M, 12-1/4" hole

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD
R. L. B.

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

Electronic Submission #359325 verified by the BLM Well Information System
For OXY USA INC., sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 12/13/2016 ()

Name (Printed/Typed) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 11/30/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By Mustafa Hague

Title Engineer

DEC 14 2016

Date 12/14/2016

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 CFO

BUREAU OF LAND MANAGEMENT

CARLSBAD FIELD OFFICE

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)

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

Additional data for EC transaction #359325 that would not fit on the form

32. Additional remarks, continued

a. 9-5/8" 43.5# L-80 BTC new csg @ 0-7200'M
SF Coll-1.29 SF Burst-1.43 SF Body Ten-1.98 SF Joint Ten-2.07

b. 9-5/8" 47# L-80 BTC new csg @ 7200-8165'M
SF Coll-1.56 SF Burst-1.68 SF Body Ten-4.24 SF Joint Ten-4.48

QXY requests the option to set casing shallower yet still below the salts if losses or hole conditions require this. Cement volumes may be adjusted if casing is set shallower and a DV tool will be run at +/- 2956' in case a contingency second stage is required for cement to reach surface. If cement circulates on 1st stage, cancellation cone will be dropped.

Production Liner

5-1/2" 17# P-110 DQX new csg @ 8065-18848'M 8-1/2" hole
SF Coll-2.36 SF Burst-1.2 SF Body Ten-2.39 SF Joint Ten-2.62

Surface - Circulate cement w/ 375sx Cl C cmt w/ accelerator, 14.8ppg 1.35 yield, 500# CS in 6.5hr, 50% Excess

Production - Circulate cement w/ 1351sx Cl C cmt w/ retarder, 10.2ppg 3.05 yield, 500# CS in 15.07hr, 75% Excess followed by 125sx Cl H cmt w/ retarder, dispersant, salt, 13.2ppg 1.65 yield, 500# CS in 12.57hr, 20% Excess.

Contingency 2nd Stage - Circulate cement to surface w/ 683sx Cl C cmt w/ accelerator, retarder, 12.9ppg 1.85 yield, 500# CS in 12.44hr, 75% Excess followed by 207sx Cl C cmt, 14.8ppg 1.33 yield, 500# CS in 6.31hr, 75% Excess.

Liner - Cement w/ 1745sx Cl H cmt w/ retarder, dispersant, low fluid loss control, salt, 13.2ppg 1.63 yield, 500# CS in 15.15hr, 15% Excess. TOC @ 8065'

Mud program -

Depth	Mud WT	Vis Sec	Fluid Loss	Type
0 - 450'	8.4-8.6	40-60	N/C	EnerSeal (MMH)
450-2956'	9.8-10.0	35-45	N/C	Brine
2956-8165'	8.8-9.6	38-50	N/C	EnerSeal (MMH)
8165-18848'	8.8-9.6	35-50	N/C	OBM

Plan to drill the multi well pad in batch by section: all surface and intermediate/production sections. The wellhead will be secured with a night cap whenever the rig is not over the well.

DEC 22 2016

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

RECEIVED

OPERATOR'S NAME:	OXY USA Inc.
LEASE NO.:	NMNM094651
WELL NAME & NO.:	5H – Cedar Canyon 28 Federal
SURFACE HOLE FOOTAGE:	1990'/N & 180'/E
BOTTOM HOLE FOOTAGE:	2219'/N & 160'/E SEC. 28
LOCATION:	Section 22, T 24 S., R 29 E., NMPM
COUNTY:	Eddy County, New Mexico

All previous COAs still apply except for the following:

A. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Water Basin:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least **8 hours**. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. (For surface casing the BOP can be nipped up after the cement has reached 500 psi compressive strength.)

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Medium cave/karst

Possible water flows in Castile and Salado.

Possible lost circulation in Rustler, Salado and Delaware.

1. The 13-3/8 inch surface casing shall be set at approximately **450 feet** (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**

- a. If cement does not circulate to the surface, the appropriate BLM office shall be

3. The minimum required fill of cement behind the **5-1/2** inch production liner is:

Cement as proposed by operator. Operator shall provide method of verification.
Excess calculates to 15% - Additional cement might be required.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

MHH 12142016