

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 OF Carlsbad Field Office**  
*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.  
NMNM94651  
6. If Indian, Native 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. CEDAR CANYON 29 FEDERAL 3H
2. Name of Operator OXY USA INCORPORATED Contact: DAVID STEWART E-Mail: david_stewart@oxy.com		9. API Well No. 30-015-42993-00-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 Area PIERCE CROSSING
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T24S R29E SENE 1990FNL 210FEL 32.190111 N Lat, 103.998072 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 recomplate 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 recomplate 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:

Surface casing/cementing program - Amend for surface casing setting depth to 690'. It will be set at least 25' above the salt and a minimum of 25' into the Rustler Anhydrite.

10-3/4" 40.5# J55 BTC new csg @ 0-690' 14-3/4" hole  
SF Coll-4.40 SF Burst-1.52 SF Body Ten-2.84 SF Joint Ten-3.16

Circulate cement w/ 470sx Cl C cmt w/ accelerator, 14.8ppg 1.68 yield, 500# Cement, 100% Excess.

Chris Walls verbally approved 12/5/16 in discussion with Ryan Farrell.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

Electronic Submission #360007 verified by the BLM Well Information System  
For OXY USA INCORPORATED, sent to the Carlsbad  
Committed to AFMSS for processing by MUSTAFA HAQUE on 12/13/2016 (17MH0022SE)

Name (Printed/Typed) DAVID STEWART	Title REGULATORY ADVISOR
Signature (Electronic Submission)	Date 12/06/2016

*Accepted for record  
NMOCD  
D.L.B.*

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

Approved By <u>MUSTAFA HAQUE</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>12/13/2016</u>
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 <u>Carlsbad</u>

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 \*\***

DEC 22 2016

**PECOS DISTRICT  
CONDITIONS OF APPROVAL**

RECEIVED

OPERATOR'S NAME:	OXY USA Inc
LEASE NO.:	NM94651
WELL NAME & NO.:	3h-Cedar Canyon 29 Federal
SURFACE HOLE FOOTAGE:	1980'/N & 150'/E
BOTTOM HOLE FOOTAGE:	1980'/N & 180'/W
LOCATION:	Section 29, 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 10-3/4 inch surface casing shall be set at approximately **690** 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

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 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.

**MHH 12132016**