

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

Carlsbad Field Office
Artesia

5. Lease Serial No. NMNM59386
6. If Intermediate, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit or CA Agreement, Name and/or No. *Corral Canyon 36-25 Fed Com 31H*

8. Well Name and No. Multiple--See Attached

9. API Well No. *30-015-44640*
Multiple--See Attached

10. Field and Pool or Exploratory Area
WOLFCAMP

11. County or Parish, State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

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

3a. Address
5 GREENWAY PLAZA SUITE 110
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)
Ph: 432.685.5717

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

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A PD
	<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 to amend the APD for the following wells. The three wells will have a similar design. The specific details (i.e. depths, cement volumes, etc) that are attached are for the 31H.

- Corral Canyon 36-25 Federal Com #31H - 30-015-44640 - NMNM59386
- Corral Canyon 36-25 Federal Com #32H - 30-015-44642 - NMNM59386
- Corral Canyon 36-25 Federal Com #33H - 30-015-44643 - NMNM59386

- Amend the intermediate, and production casings size, type, and depth, see attached.
- Amend the intermediate and production casing cementing program.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL
Accepted For Record
NMOCD *12-11-18*
NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 14 2018

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #437137 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 09/28/2018 (18PP2765SE)

Name (Printed/Typed) DAVID STEWART	Title REGULATORY ADVISOR
Signature (Electronic Submission)	Date 09/26/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>MUSTAFA HAQUE</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>11/05/2018</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 ****

RNP 12-10-18

Additional data for EC transaction #437137 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM59386	NMNM59386	CORRAL CANYON 36-25 FED CO	00015-44640-00-X1	Sec 1 T25S R29E 561FNL 1493FWL 32.165005 N Lat, 103.941772 W Lon
NMNM59386	NMNM59386	CORRAL CANYON 36-25 FED CO	00015-44642-00-X1	Sec 1 T25S R29E 561FNL 1528FWL 32.165005 N Lat, 103.941666 W Lon
NMNM59386	NMNM59386	CORRAL CANYON 36-25 FED CO	00015-44643-00-X1	Sec 1 T25S R29E 561FNL 1563FWL 32.165005 N Lat, 103.941551 W Lon

32. Additional remarks, continued

3. Amend the pressure control equipment due to casing size changes, see attached.

OXY respectfully requests a variance for annular clearance around production tubular couplings in the open hole interval comprised of the curve and lateral portions of the well. Please see attached for detail.

OXY respectfully requests a variance to allow BOP Break Testing under the following conditions:

1. Only after a full BOP is conducted to the first well on the pad.
2. Only when skidding from an intermediate to another intermediate section. Exception will be an intermediate followed by a production hole. In that case a full BOP test will be conducted.
3. Only applicable for intermediates that do not penetrate into the Wolfcamp.

OXY USA Inc. - Corral Canyon 36-25 Federal Com 31H, 32H, 33H – Amended Drill Plan

This is a bulk sundry request for the Corral Canyon 36-25 Fed Com 31H, 32H, & 33H that will be drilled by H&P 635. The Corral Canyon 36-25 Fed Com 31H will be used as an analog for the 32H and 33H.

API Number	Well Name	Rig
30-015-44640	Corral Canyon 36-25 Federal Com 31H	H&P 635
30-015-44642	Corral Canyon 36-25 Federal Com 32H	H&P 635
30-015-44643	Corral Canyon 36-25 Federal Com 33H	H&P 635

2. Casing Program

Hole Size	Casing Interval		Csg. Size (in)	Weight (lbs/ft)	Grade	Conn.	Safety Factor			
	From (ft)	To (ft)					Collapse	Burst	Body Tension	Joint Tension
14.75	0	560	10.75	45.5	J-55	BTC	> 1.125	> 1.2	> 1.4	> 1.4
9.875	0	9,940	7.625	26.4	L-80	BTC	> 1.125	> 1.2	> 1.4	> 1.4
6.75	0	20,614	5.5	20	P-110	DQX	> 1.125	> 1.2	> 1.4	> 1.4
Designs will meet or exceed										

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

*OXY 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 may be run in case hole conditions merit pumping a second stage cement job to comply with permitted top of cement. If cement circulated to surface during first stage we will drop a cancellation cone and not pump the second stage.

OXY would like to request a variance for annular clearance around production tubular couplings in the open hole interval comprised of the curve and lateral portions of the well. The production string clearance inside the intermediate string meets the requirements for >0.422in clearance as shown in the table below. The clearances for the production string are as follows:

Description	Csg/Hole ID	Coupl. OD	Clearance
DQX Coupling in 7-5/8" Casing	6.969	6.05	0.4595
DQX Coupling in 6.75in OH	6.75	6.05	0.35

OXY USA Inc. - Corral Canyon 36-25 Federal Com 31H, 32H, 33H – Amended Drill Plan

3. Cementing Program

Casing	Slurry	#Sks	Wt. (Lb/gal)	Yld ft ³ /sack	H2O gal/sk	500# Comp. Strength	Slurry Description
Surface	Surface already set by spudder rig						
1st Stage	Lead	878	9.6	2.92	13.02	10:57	TXI Cement, Retarder
Intermediate	Tail	320	13.2	1.61	7.804	7:11	Class H Cement, Retarder, Dispersant, Salt
DV/ECP Tool @ 3,333ft							
Production Casing	Tail	811	13.2	1.38	6.686	3:49	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top of Lead (ft)	Bottom of Lead (ft)	Top of Tail (ft)	Bottom of Tail (ft)	% Excess Lead	% Excess Tail
Surface	N/A	N/A	0	560	N/A	100%
1st Stage Intermediate Casing	560	7940	7940	9940	50%	20%
Production Casing	N/A	N/A	9440	20614	N/A	20%

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size	Min. Required WP	Type		Tested to:
9.875" Hole	13-5/8"	5M	Annular	x	70 % of working Pressure
			Blind Ram	x	250/5000 psi
			Pipe Ram		
			Double Ram	x	
			Other*		

*Specify if additional ram is utilized.

OXY USA Inc. - Corral Canyon 36-25 Federal Com 31H, 32H, 33H – Amended Drill Plan

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
Y	Are anchors required by manufacturer?
	A multibowl or a unionized multibowl wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. We will test the flange connection of the wellhead with a test port that is directly in the flange. We are proposing that we will run the wellhead through the rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015. See attached schematics.

BOP Break Testing Request

As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow BOP Break Testing under the following conditions:

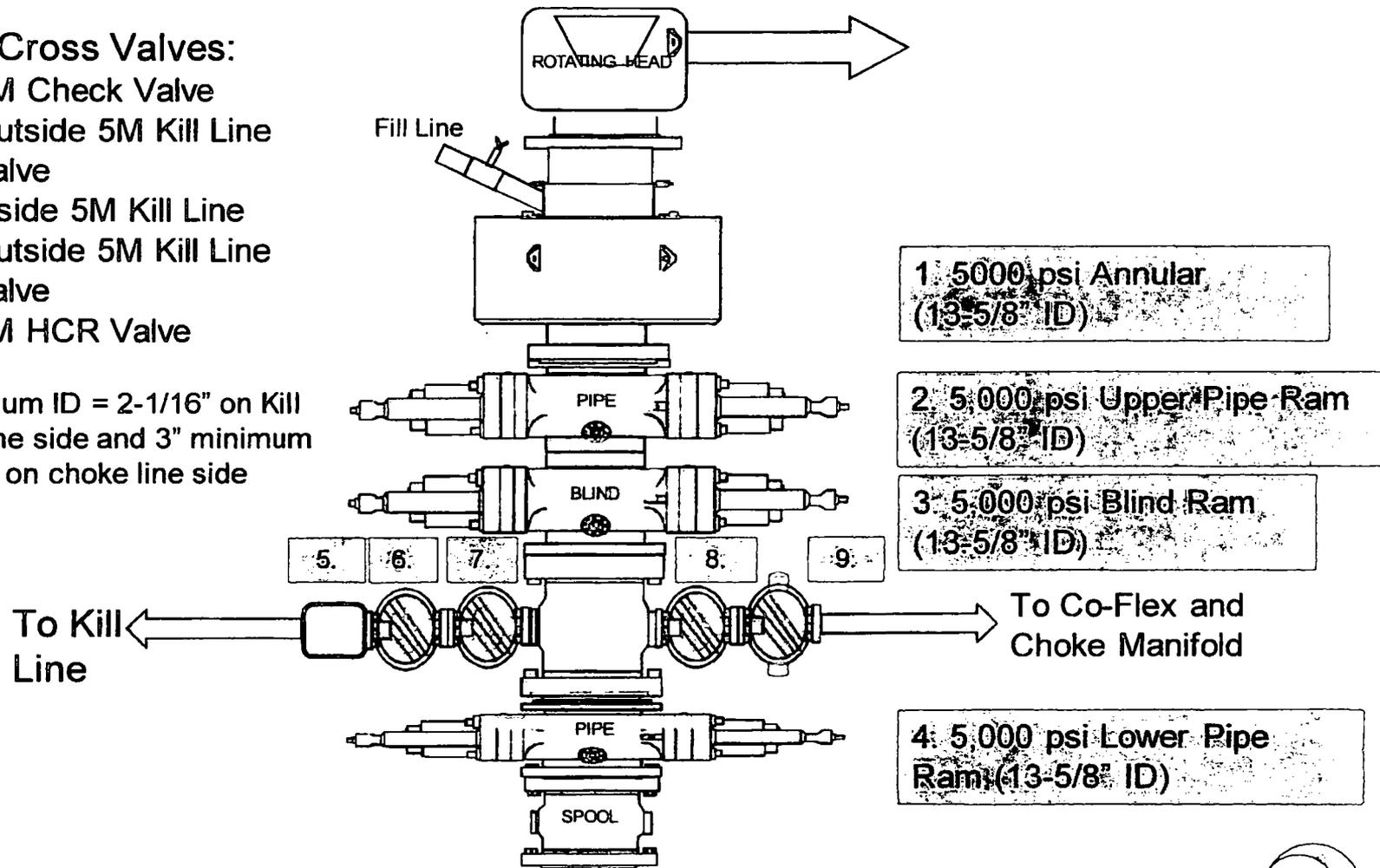
1. Only after a full BOP is conducted to the first well on the pad.
2. Only when skidding from an intermediate to another intermediate section. Exception will be an intermediate followed by a production hole. In that case a full BOP test will be conducted.
3. Only applicable for intermediates that do not penetrate into the Wolfcamp.

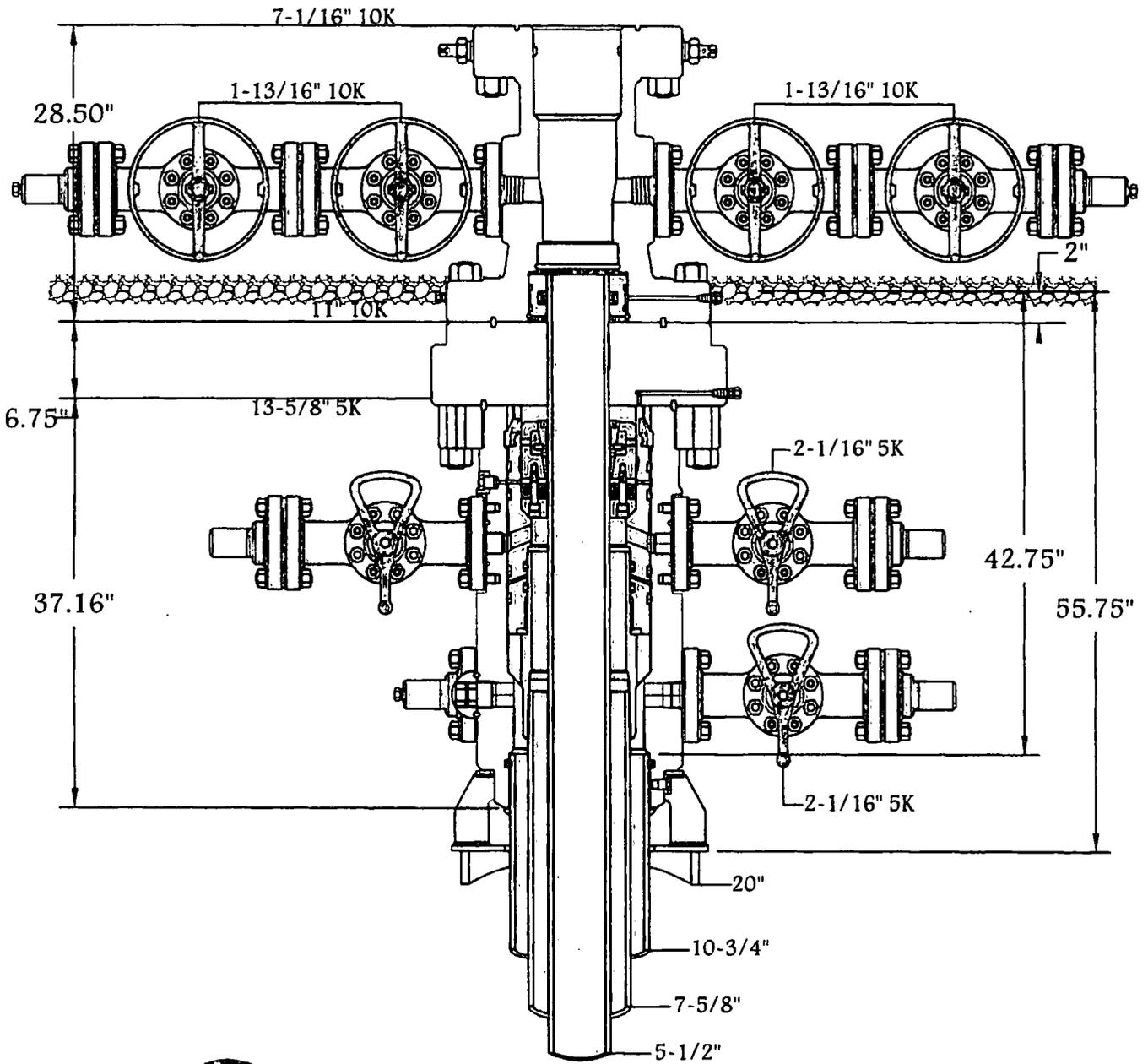
5M BOP Stack

Mud Cross Valves:

5. 5M Check Valve
6. Outside 5M Kill Line Valve
7. Inside 5M Kill Line Valve
8. Outside 5M Kill Line Valve
9. 5M HCR Valve

*Minimum ID = 2-1/16" on Kill Line side and 3" minimum ID on choke line side





13-5/8" 5K MN-DS



DATE	DATE	Working Pressure	#
------	------	------------------	---

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INCORPORATED
LEASE NO.:	NMNM 59386
WELL NAME & NO.:	31H-CORRAL CANYON 36-25 FED COM
SURFACE HOLE FOOTAGE:	561'N & 1493'/W
BOTTOM HOLE FOOTAGE:	180'N & 524'/W
LOCATION:	Section 1, R29E, T25S, NMPM
COUNTY:	Eddy County, New Mexico.

Potash	<input checked="" type="radio"/> None	<input type="radio"/> Secretary	<input type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP

All previous COAs still apply except for the following:

A. CASING

1. The **10 3/4** inch surface casing shall be set at approximately **560** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) 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 will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - 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.

2. The minimum required fill of cement behind the **7 5/8** inch intermediate casing is:

Operator has proposed DV tool at a depth of 3333', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If operator circulates cement on the first stage, operator is approved to inflate the ACP and run the DV tool cancellation plug and cancel the second stage of the proposed cement plan. If cement does not circulate, operator will inflate ACP and proceed with the second stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
3. The minimum required fill of cement behind the 5 1/2 inch production casing is:
- Cement as proposed. Operator shall provide method of verification.

MHH 11052018

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Chaves and Roosevelt Counties
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 627-0272.
After office hours call (575)

Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. 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.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: 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 for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.
3. 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.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. 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.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

PERFORMANCE DATA

TMK UP DQX
Technical Data Sheet

5.500 in

20.00 lbs/ft

P-110

Tubular Parameters

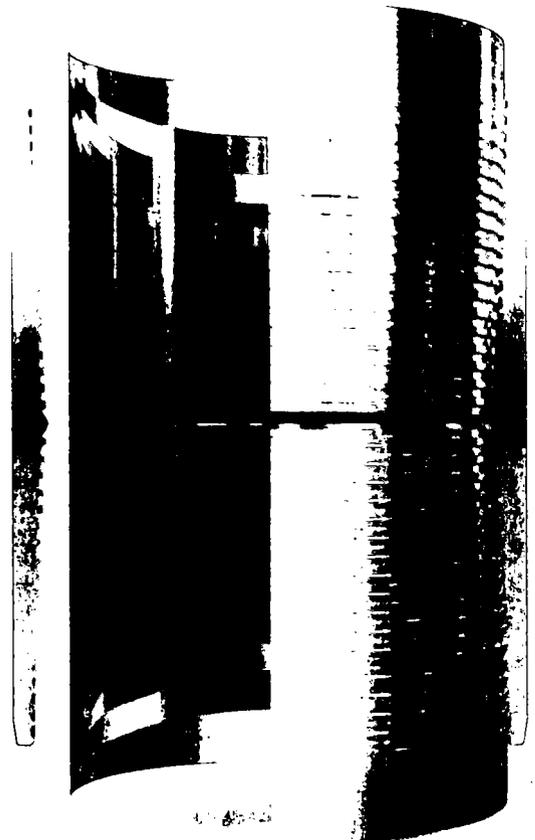
Size	5.500	in	Minimum Yield	110,000	psi
Nominal Weight	20.00	lbs/ft	Minimum Tensile	125,000	psi
Grade	P-110		Yield Load	641,000	lbs
PE Weight	19.81	lbs/ft	Tensile Load	729,000	lbs
Wall Thickness	0.361	in	Min. Internal Yield Pressure	12,600	psi
Nominal ID	4.778	in	Collapse Pressure	11,100	psi
Drift Diameter	4.653	in			
Nom. Pipe Body Area	5.828	in ²			

Connection Parameters

Connection OD	6.050	in
Connection ID	4.778	in
Make-Up Loss	4.122	in
Critical Section Area	5.828	in ²
Tension Efficiency	100.0	%
Compression Efficiency	100.0	%
Yield Load In Tension	641,000	lbs
Min. Internal Yield Pressure	12,600	psi
Collapse Pressure	11,100	psi

Make-Up Torques

Min. Make-Up Torque	11,600	ft-lbs
Opt. Make-Up Torque	12,900	ft-lbs
Max. Make-Up Torque	14,100	ft-lbs
Yield Torque	20,600	ft-lbs



Printed on: July-29-2014

NOTES

The content of this technical data sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose. Rely on a competent drilling professional in determining and using the specific installation and operation parameters. Information that is printed or downloaded is no longer controlled by TMK-IPSCO and might not be the latest information. Anyone using the information here does so at their own risk. To verify the info, have the latest TMK-IPSCO technical information please contact TMK-IPSCO technical sales toll-free at 1-888-258-2000.



IPSCO