

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

HOBBSOCD

JAN 26 2015

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. NMNM109758
2. Name of Operator OXY USA INCORPORATED ✓		6. If Indian, Allottee or Tribe Name
Contact: DAVID STEWART E-Mail: david_stewart@oxy.com		7. If Unit or CA/Agreement, Name and/or No. NMNM126140X
3a. Address HOUSTON, TX 77210-4294	3b. Phone No. (include area code) Ph: 432.685.5717 Fx: 432.685.5742	8. Well Name and No. SPEAK EASY FEDERAL UNIT 4H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T22S R32E SWNW 1980FNL 330FWL 32.422522 N Lat, 103.635391 W Lon		9. API Well No. 30-025-42266-00-X1
		10. Field and Pool, or Exploratory RED TANK
		11. County or Parish, and State LEA COUNTY, NM

RECEIVED

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 A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 recompleat 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 recompleat 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 drilling plan:

Remove the DV tool from the production casing string, increase production lead cement to 200% excess, and to include a 5-1/2" Weatherford ZoneSelect Completions System SMART Toe Sleeve. OXY will still be following all current COA's and regulations. The tool max OD is 6.75". The tool will be placed 1 joint of casing behind the float collar (inside hardlines) and will pressure test per the approved APD test value.

Proposed TD - 16631'M 11869'V

Production Casing
5-1/2" 20# P-110 BTC new csg @ 0-16631'M, 7-7/8" hole w/ 9.2# mud

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #288654 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by CHRISTOPHER WALLS on 01/20/2015 (15CRW0043SE)	
Name (Printed/Typed) DAVID STEWART	Title SR. REGULATORY ADVISOR
Signature (Electronic Submission)	Date 01/20/2015
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By _____	Title _____
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 _____
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.	

APPROVED

JAN 20 2015

Is/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

JAN 29 2015

Additional data for EC transaction #288654 that would not fit on the form

32. Additional remarks, continued

Coll Rating (psi)-6290 Burst Rating (psi)-7740
SF Coll-1.96 SF Burst-1.21 SF Ten-1.92

Collapse and burst loads calculated using Stress Check with anticipated loads, see attached for design assumptions

Cement program modifications detailed below.

Production - Circulate cement w/ 860sx Tuned Light (TM) system cmt w/ 1#/sx Kol-Seal + .10#/sx Poly-E-Flake + .35% HR-601, 9.76ppg (10.2ppg-downhole) 3.06 yield 555# 24hr CS 200% Excess followed by 820sx Super H cmt w/ 3#/sx salt + .4% HR-800 + .3% CFR-3 + .5% Halad(R)-344 + 2#/sx Kol-Seal, 13.2ppg 1.65 yield 1694# 24hr CS 40% Excess.

Description of Cement Additives: Salt (Accelerator); CFR-3 (Dispersant); Kol-Seal, Poly-E-Flake (Lost Circulation Additive); Halad-344 (Low Fluid Loss Control); HR-601, HR-800 (Retarder)

The above cement volumes could be revised pending the caliper measurement.



ZoneSelect® Completions System

SMART Toe Sleeve

The Weatherford SMART toe sleeve is an integral part of *ZoneSelect* multizone completion systems. When placed at the toe of the completion string, the fully cement-compatible SMART toe sleeve actuates after two pressure applications. Each pressure application can be held indefinitely to satisfy regulatory requirements. As the second pressure application ends, the sleeve opens.

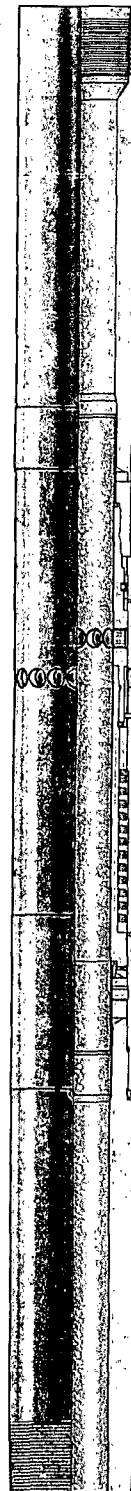
When the SMART toe sleeve is open, *ZoneSelect* balls or composite plugs can be pumped down to begin subsequent stimulation operations.

Applications

- In multistage slickwater and proppant fracture applications
- In horizontal or vertical wells
- In cemented and openhole completions
- As a component of the *ZoneSelect* system

Features, Advantages and Benefits

- Actuation requires two pressure applications; therefore, a casing-pressure test can be performed before actuation or during one or both pressure applications.
- Because the sleeve does not open after the first pressure application, well integrity can be maintained if issues arise at the surface.
- The sleeve locks open, preventing accidental tool closure caused by intervention tools.
- Actuation of the first pressure application can be customized based on customer requirements, ensuring operational flexibility based on wellbore conditions.
- Each application of pressure can be held for an indefinite amount of time, enabling two opportunities to satisfy any regulatory requirements.





*ZoneSelect® Completions System SMART Toe Sleeve**Specifications*

Sleeve Size	5-1/2
Tubing size (in./mm)	5.50 139.70
Weight (lb/ft, kg/m)	23.00 34.27
Collapse rating (psi/MPa)	9,644 66.49
Differential burst rating (psi/MPa)	11,978 82.59
Maximum OD (in./mm)	6.75 171.45
Minimum ID (in./mm)	4.00 101.60
Initiation pressure range (psi/MPa)	3,280 to 9,560 22.61 to 65.91
Port flow area (in²/mm²)	9.43 6084
Temperature rating (°F/°C)	325 163

Conditions of Approval

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

☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.