

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

HOBBS OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
 Santa Fe, NM 87505

OCT 14 2015

| |
|---|
| WELL API NO. 30-025-36489 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VA-564 |
| 7. Lease Name or Unit Agreement Name Copperhead 13 State |
| 8. Well Number 1 |
| 9. OGRID Number 16696 |
| 10. Pool name or Wildcat Twiste Draw Stream, East (Gas) |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3541 |

SUNDRY NOT RECEIVED REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
OXY USA Inc.

3. Address of Operator
P.O. Box 50250 Midland, TX 79710

4. Well Location
 Unit Letter P : 660 feet from the south line and 660 feet from the east line
 Section 18 Township 24S Range 33E NMPM County Lea

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|---|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input checked="" type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <u>MIT</u> <input checked="" type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15. NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David Stewart TITLE Sr. Regulatory Advisor DATE 10/13/15

Type or print name David Stewart E-mail address: david_stewart@oxy.com PHONE: 432-685-5717

For State Use Only
 APPROVED BY: Mary G Brown TITLE Dist. Supervisor DATE 10/21/2015
 Conditions of Approval (if any)

14 MONTHS - NO PROD REPORTED OCT 22 2015

Attachment C-103

Copperhead 18 State #1 – 30-025-36489

OXY USA Inc. respectfully requests to temporarily abandon this well. It is currently being evaluated for possible future recompletion in the Wolfcamp.

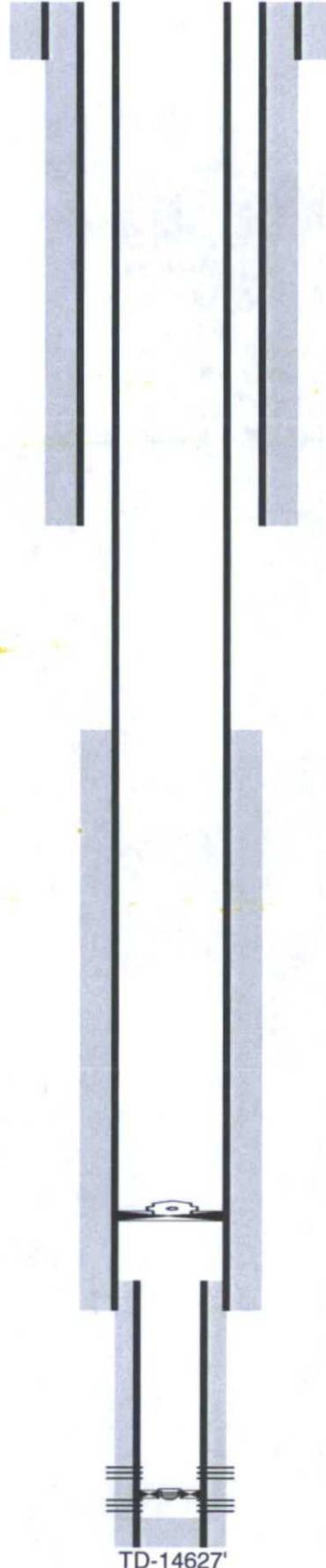
Current Status:

The Copperhead 18 State #1 was shut in & production equipment pulled in August-2014 to run downhole microseismic sensor tools to monitor the Copperhead 18 State #5H stimulation. All production equipment was pulled out of hole and a RBP was set at 11,708'. After performing the microseismic monitoring & pulling the downhole sensors, the decision was made to evaluate the vertical recompletion into the Wolfcamp due to the uneconomic production from the Strawn (~10 mcf/d). The vertical plugback application was filed with the NMOCD on 6/2/2015 and approved 8/10/2015. Since the permit was filed, it was determined that the Wolfcamp C could be economically accessed via a horizontal re-entry. Successful results of this horizontal re-entry would yield a new development reservoir for OXY in the Copperhead 18 State lease (Sec. 18, T24S R33E) with 3+ additional locations. Further horizontal Wolfcamp C development outside of the Copperhead 18 State lease would also be evaluated.

Proposed Procedure:

- 1.) RIH & POOH w/ RBP set at 11,708'.
- 2.) Temporarily abandon the Strawn perforations from 14,228' – 14,388' with CIBP set in 4-1/2" casing liner at 14,178' (50' above top perforation).
- 3.) Notify NMOCD of casing integrity test 24hrs in advance.
- 4.) RU pump truck, pressure test casing to 500# for 30 min.
- 5.) RIH w/ CBL & USIT log. Log 7" production casing from Surface – 12,362' (top of 4-1/2" casing liner) at 0 psi. Run pressure pass from 10,000' – 12,362' @ 1,000 psi.
- 6.) Assess CBL & USIT logs for casing integrity (wall thickness) & cement integrity for proposal to drill a horizontal side-track into the Wolfcamp C interval ~13,250' (TVD).
- 7.) If CBL & USIT reveal good cement & casing integrity, OXY will file for the horizontal re-entry/plugback application permit with NMOCD along with the proposed procedure.
- 8.) If CBL & USIT reveal poor cement or casing integrity, Oxy will follow the approved vertical plugback into the Wolfcamp interval (accessed via the 4-1/2" casing liner from 12,362' – 14,627').

OXY USA Inc. - Current
Copperhead 18 State #1
API No. 30-025-36489



17-1/2" hole @ 727'
13-3/8" csg @ 727'
w/ 575sx-TOC-Surf-Circ

12-1/4" hole @ 5034'
9-5/8" csg @ 5034'
w/ 2900sx-TOC-Surf-Circ

8-3/4" hole @ 12646'
7" csg @ 12646'
w/ 700sx-TOC-7230'-TS

6-1/8" hole @ 14627'
4-1/2" liner @ 12362-14627'
w/ 345sx-TOC-12362'-Circ

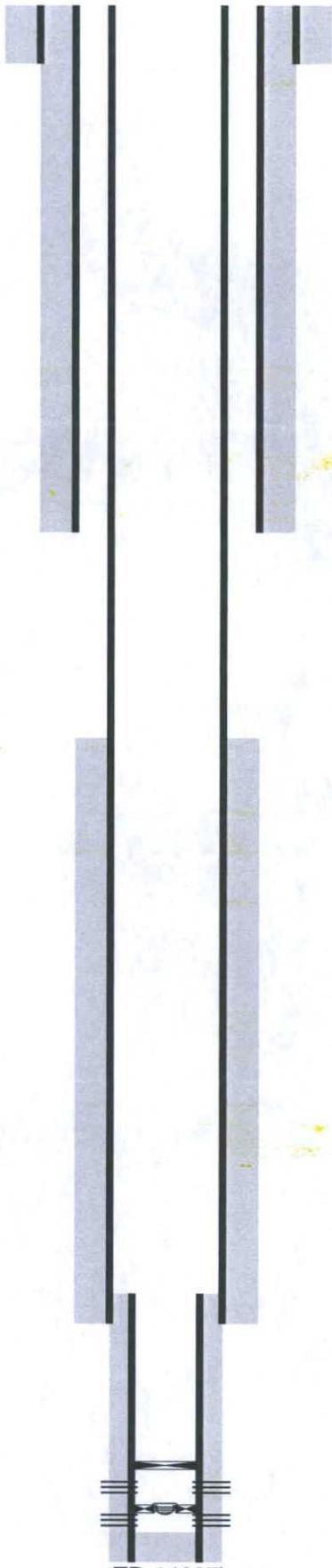
RBP @ 11708'

Model R Pkr @ 14438' w/ blk plug

Perfs @ 14228-14388'
Perfs @ 14477-14532'

TD-14627'

OXY USA Inc. - Proposed
Copperhead 18 State #1
API No. 30-025-36489



17-1/2" hole @ 727'
13-3/8" csg @ 727'
w/ 575sx-TOC-Surf-Circ

12-1/4" hole @ 5034'
9-5/8" csg @ 5034'
w/ 2900sx-TOC-Surf-Circ

8-3/4" hole @ 12646'
7" csg @ 12646'
w/ 700sx-TOC-7230'-TS

6-1/8" hole @ 14627'
4-1/2" liner @ 12362-14627'
w/ 345sx-TOC-12362'-Circ

CIBP @ 14178'

Model R Pkr @ 14438' w/ blk plug



TD-14627'

Perfs @ 14228-14388'
Perfs @ 14477-14532'

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Phone: (505) 476-3460 Fax: (505) 476-3462

HOBBS OCD

State of New Mexico

JUN 05 2015

Energy Minerals and

Oil Conservation

RECEIVED

1220 South St. Francis

Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

E-PERMITTING --- New Well
Comp _____ P&A _____ TA _____
CSNG _____ Loc Chng _____
ReComp _____ Add New Well _____
Cancel Well _____ Grate Pool _____

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A

| | | |
|--|--|----------------------------|
| Operator Name and Address OXY USA Inc. P.O. Box 50250 Midland, TX 79110 | | OGRID Number 16696 |
| Property Code 305098 | | API Number 30-025-36489 |
| Property Name Copperhead 13 State | | Well No. 1 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P | 18 | 24S | 33E | | 660 | South | 660 | east | Lea |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | | | | | | | | | |

9. Pool Information

| | |
|--|--------------------|
| Pool Name Johnson Ranch West Wolfcamp Gas | Pool Code 96825 |
|--|--------------------|

Additional Well Information

| | | | | |
|-----------------------|--|--|----------------------------|-------------------------------------|
| 11. Work Type P | 12. Well Type G | 13. Cable/Rotary R | 14. Lease Type S-11A564 | 15. Ground Level Elevation 3541' |
| 16. Multiple No | 17. Proposed Depth 14627' AB-1397B' | 18. Formation Wolfcamp | 19. Contractor N/A | 20. Spud Date After Approval |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|---|-----------|-------------|------------------|---------------|-----------------|---------------|
| S | 17 1/2" | 13 3/8" | 48 | 727' | 575 | Surf Circ |
| I | 12 1/4" | 9 5/8" | 40 | 5034' | 2900 | Surf Circ |
| P | 8 3/4" | 7" | 23-26 | 12646' | 700 | 7230'-TS |
| Casing/Cement Program: Additional Comments | | | | | | |
| L | 6 1/8" | 4 1/2" | 15.1 | 12362-14627' | 345 | 12362' |

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|--------------------|------------------|---------------|--------------|
| Double Ram Annular | 5000 | 5000 | |

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.

Signature: *David Stewart* 6/2/15
Printed name: David Stewart
Title: Sr. Regulatory Advisor
E-mail Address: david_stewart@oxy.com.
Date: _____ Phone: 432-655-5717

OIL CONSERVATION DIVISION

Approved By:

Title: Petroleum Engineer

Approved Date: 06/10/15

Expiration Date: 08/10/17

Conditions of Approval Attached

AUG 20 2015