OCD-HOBBS

Form 3160-5
(June 2015)

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
SEP 18 2017
RECEIVED

5. Lease Serial No.
NMNM69377

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
RED TANK 28 FED 04

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

9. API Well No.
30-025-36009-00-S1

3a. Address
P O BOX 4294
HOUSTON, TX 77210-4294

3b. Phone No. (include area code)
Ph: 432-685-5717
Fx: 432-685-5742

10. Field and Pool or Exploratory Area
W RED TANK

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 28 T22S R32E SWSE 330FSL 2310FEL

11. County or Parish, State
LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Workover Operations
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.

SUBJECT TO LIKE APPROVAL BY STATE

1. MIRU PU. RD Horse Head, Un-seat pump and POOH w/ Rods and Pump.

2. Un-seat TAC. RU tbg scanner and scan tbg while POOH w/ 2-7/8" tbg. Report tbg condition, the 2-7/8" tbg may use during the job

APPROVED

3. PU 4-3/4" bit and scraper. RIH and CO to 4700'.

4. MIRU WL, RIH w/ CBP, set at approximately 4670'. RU tbg testing company. PU 5-1/2" Watson Packer on 2-7/8" tbg. RIH to pressure test tubing to 5000psi and CBP to 2000psi. POOH and LD packer.

SEE ATTACHED FOR CONDITIONS OF APPROVA

5. MIRU WL company. RIH and cement retainer at 4616', RD WL. RIH w/ 2-7/8" tbg and sting into

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

Electronic Submission #381072 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/17/2017 (17PP0448SE)

Name *(Printed/Typed)* DAVID STEWART — Title SR. REGULATORY ADVISOR

Signature (Electronic Submission) — Date 07/12/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Paul R. Swartz 09/05/17 — Title TPET — Date

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 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)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #381072 that would not fit on the form

32. Additional remarks, continued

retainer. MIRU Petroplex Cement Company. Perform squeeze job.
Sting out, Shut down and POOH w/ 2-7/8" tbg, WOC.

6. PU 4-3/4" drill bit on 2-7/8" working string and RIH to drill out cement retainer and CBP. CO to PBTD, POOH.

7. MIRU WL, perforate additional interval @ 1SPF @ 7836-7860, 8185-8200, 8255-8276', Total 60 holes.

8. MU BHA (Watson Tandem Packer, Sub, SN). RU Petroplex acid company, acidize stage 1 via 2-7/8" tbg. Release Packer, move uphole and repeat process for the remaining stages. Shut well for 45 min.

9. RIH w/ tbg, TAC, Rods and pump per AL specialist design.

10. Turn well to production.

See attached for the complete procedure and WBD.

Well Prep Procedure : POOH and RIH w/ CBP

1. Check well pressure, bleed off tubing and casing pressure to reserve pit or grounded flowback tank. If well, do not die; kill well w/10 ppg brine down tbg and casing.
2. MIRU PU. Unload 5K BOP and function Test.
3. Un-hang well and remove pumping unit Horse Head. RU rig floor and tools.
4. Pull out and LD 1.50" (1 1/2") Spray Metal x 26' polish rod, LD Stuffing box.
5. Un-set pump and begin POOH w/rods and pump. Please verify and document rod grade.
6. Inspect rods and pump, send pump for tear down, collect any solids samples found and give to Nalco chemical for analysis. RD rod/pump pulling equipment.
7. NU 5K BOP and tbg equipment. Un-set TAC set at ~8,213'.
8. RU tbg scanner. POOH /Scan 2 7/8" J-55, 6.5#/ft , T&C, and downhole equipment. Stand back tbg on Rig floor. Report finding. (Depend on tbg condition; same tbg will used as working string).
9. RD tbg scanner.
10. PU 4 ¾" bit and scraper. RIH to CO to 4,700' and POOH , LD scarper and bit
11. MIRU WL Company. PU and RIH w/ 5 ½" CBP set at 4,670' (18' below Ramsey Formation bottom perf at 4,652'). POOH
12. MIRU tubing Tester Company. MU BHA (5 ½" packer x 2 7/8" N80 tbg w/ 2 7/8" SN)
13. RBIH and Hydro Test tubing to 5,000 psi.
14. Set Packer at 4,658' (12' above CBP set at 4,670'). Load tubing and pressure test CBP to 1500 psi for 15 mints.
15. Bleed off pressure, release packer and POOH, LD packer and standback tubing.

Well Prep Procedure : Squeeze Ramsey perforations:

16. PU 5 ½" CICR retainer, RIH on 2 7/8" tbg. RIH and set at 4,611' (25' above Ramsey Formation top perf at 4,636').
17. Load tbg and pressure test retainer to 500 psi to ensure retainer is set. Bleed off pressure and Sting out of retainer.
18. MIRU Petroplex cement company.
19. Sting back into retainer, establish Injection rate with fresh water at estimated rate of 2 to 4 bpm. Begin pumping cement slurry (estimated 250 sacks of class C HSR per Petroplex design). Displace cement w/ Fresh water and squeeze perfs from 4,636'- 4,652'. Sting out and equalize tbg and casing pressure ensure to leave +/- 1 bbl of cement on top of CICR retainer.
20. Flush tbg w/ Fresh water "minimum volume = twice tbg capacity to ensure tubing is clear".
21. POOH of hole w/ 2 7/8" tbg, Shut down and WOC for 24 hours.
22. PU 4 ¾" JZ bit OD *(~98 % of the production casing Drift ID.* ***Production casing****: 5 1/2" OD, J-55, 17#/ft, BTC, 4.892" ID, 4.767" DID, set at 8,680').* On 2 7/8" working string.
23. RIH to drill out cement/ retainer and CBP, clean out to PBTD at 8,645'.
24. POOH and LD 4 ¾" JZ bit, stand back 2 7/8" working String on rig floor.
25. MIRU Renegade WL company and 5K Lubricator
26. RIH w/ 3 1/8" perf gun and perforate 1SPF @ 8255-8276, 8185-8200, 7836-7860', total 60 holes.
27. POOH w/ perf gun and RDMO WL company.

Acidize Procedure:

28. MU BHA (5 ½" Watson Straddle Packer x 2 7/8" N80 tubing). RIH and set upper packer at 8,236' (19' above stage 1 Top perf at 8,255'). No need to set the lower packer.

Stage 1 (8,255'-8,528')

29. MIRU Petroplex acid company. Review JSA, scope of work, acid spill and hazards. Pressure test lines to 6,500 psi.
30. Begin acidizing Stage 1 as following:

NOTE:

Total volumes for stage 1: (4,080 gal 7.5% HCL, injection rate 2.5bpm, total time ~390mint.).

a) Establish Breakdown w/ 2%KCL
b) Pump 12 bbl of 7.5% HCL acid.
c) Pump 35 bbl, 2% KCL. (Flush)
d) Record ISIP at 5, 10, 15 mints.
e) Shut in well for 45 mints
f) Open well and flowback, if well went on vacuum, then proceed with step 32 below otherwise Flowback well until dies.

31. RD Petroplex and MI rig and Packer crew, release packer set at 8,236' pull uphole, set lower packer at 8,220 (20' below stage 2 bottom perf at 8,200') and upper packer at 7,816' (20' above stage 2 Top perf at 7,836')
32. RD rig and packer crew. RU Petroplex acid company. Begin acidizing Stage 2 as following:

Stage 2 (7,836'-8,200')

NOTE:

- Total volumes for stage 2: (3420 gal 7.5% HCL, injection rate 2.5bpm, total time ~33 mint.).

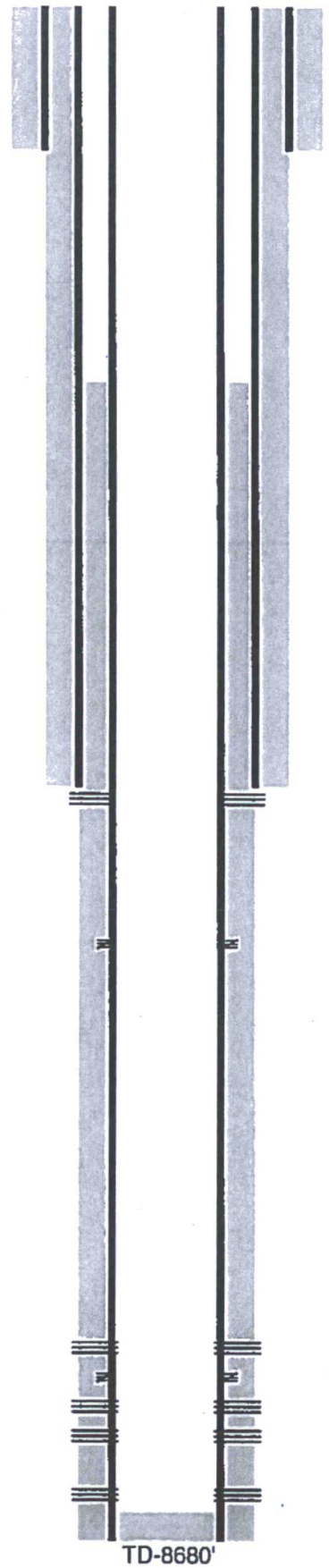
a) Establish Breakdown w/ 2%KCL
b) Pump 24 bbl of 7.5% HCL acid.
c) Pump 28 bbl, 2% KCL (Flush).
d) Record ISIP at 5, 10, 15 mints.
e) Shut in well for 45 mints
f) Open well and flowback, if well went on vacuum, proceed with step 34 below otherwise Flowback well until dies.

33. RDMO Petroplex.
34. MI rig and Packer crew, release Upper pkr set at 7,816' and lower pkr at 8,220' and begin POOH and LD w/ pkr and tbg.

RIH w/ BHA and Production Procedure:

35. Conduct safety meeting, discuss JSA and job hazards.
36. MIRU PU crew
37. Check wellhead and casing pressure. Bleed off pressure to reserve pit or grounded flowback tank.
38. PU and RIH w/ tubing and BHA per AL specialist design as following design to be provided
39. Load tbg w/ brine water, pressure test tubing to 500 psi.
40. Long stroke pump with 7 SPM.
41. Hang Pumping unit Horse Head, space out pump off bottom.
42. ND 5K BOP. RDMO PU and clean location.
43. Turn well to production

OXY USA Inc. - Proposed
Red Tank 28 Federal #4
API No. 30-025-36009



17-1/2" hole @ 805'
13-3/8" csg @ 805'
w/ 945sx-TOC-Surf-Circ

11" hole @ 4486'
8-5/8" csg @ 4486'
w/ 1710sx-TOC-Surf-Circ

Sqz w/ 250sx CL C cmt

Perfs @ 4636-4652'

*Perf @ 5490', sqz 790sx cmt-TOC-2425'-CBL

7-7/8" hole @ 8680'
5-1/2" csg @ 8680'
w/ 700sx-*TOC-7910'-CBL

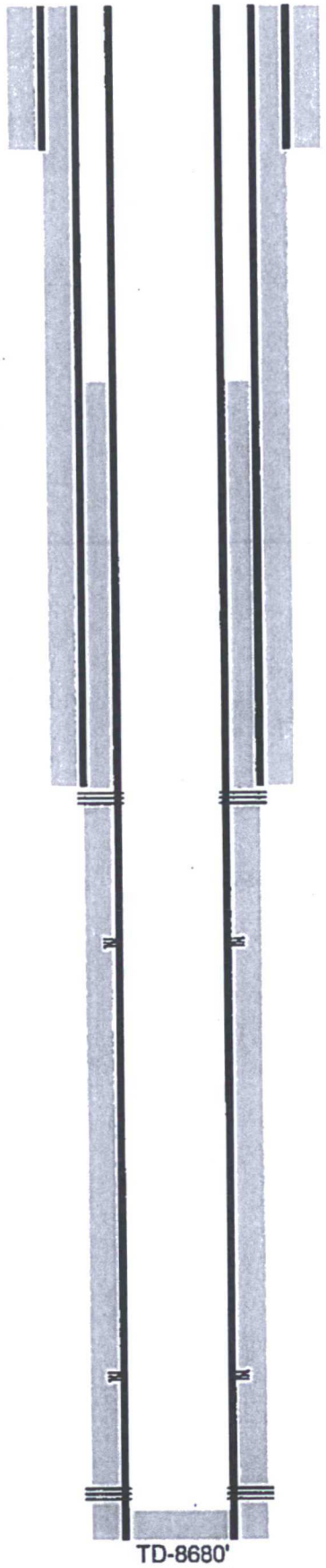
Perfs @ 7836-7860'
*Perf @ 7870', sqz 860sx cmt-TOC-5510'-CBL
Perfs @ 8185-8276'

Perfs @ 8480-8528'

PB-8645'

TD-8680'

OXY USA Inc. - Current
Red Tank 28 Federal #4
API No. 30-025-36009



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Perfs @ 4636-4652'

*Perf @ 5490', sqz 790sx cmt-TOC-2425'-CBL

7-7/8" hole @ 8680'
5-1/2" csg @ 8680'
w/ 700sx-*TOC-7910'-CBL

*Perf @ 7870', sqz 860sx cmt-TOC-5510'-CBL

Perfs @ 8480-8528'

PB-8645'

TD-8680'

Conditions of Approval

Oxy USA Incorporated
Red Tank - 04, API 3002536009
T22S-R32E, Sec 28, 330FSL & 2310FEL
September 5, 2017

1. **Within 90 days of these conditions of approval for the processed Electronic Submission #381072 notice of intent begin wellbore operations**
2. **Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.**
3. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15.
4. Before casing or a liner added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
5. Subject to like approval by the New Mexico Oil Conservation Division.
6. Use minimum (Class H > 7500ft & C < 7500ft) cement. Formation squeeze plugs of Class "C" neat to be mixed 14.8#/gal, 1.32 ft^3/sx, 6.3gal/sx water and Class "H" neat to be mixed 16.4#/gal, 1.06ft^3/sx, 4.3gal/sx water.
7. Surface disturbance beyond the existing pad shall have prior approval.
8. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
10. Functional H_2S monitoring equipment shall be on location.
11. Blow Out Prevention Equipment 3000 (3M) to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels or automatic locking devices) equipment installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) employed when needed for reasonable well control requirements.
12. **After the squeeze operation (4636-52) holds, and prior to perforating, determine that the 5 1/2" casing will hold pressure from 8350' to surface.**
13. **Tag and record PBTD.**

14. **Perform a charted casing integrity test** of 1500psig minimum **from 8350' to surface**. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 85 per cent of its full range. **Verify all annular casing vents plumbed to the surface and open during this pressure test. Call BLM 575-361-2822 and arrange for a BLM witness of that pressure test.** Include a copy of the chart in the subsequent sundry for this workover.
15. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 8350' taken with 0psig casing pressure. Attach the CBL to a pswartz@blm.gov email.**
16. File intermediate **subsequent sundry** Form 3160-**5** within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
17. Submit the BLM Form 3160-**4 Recompletion Report** within 30 days of the date all BLM approved procedures are complete. **Include all formation tops from surface to TD.**

Operator: Oxy USA Incorporated
Surface Lease: NM69377
Case No: NM69377
Subsurface Concerns for Casing Designs: KFC
Well Status: PB, reCmplt
Spud date: 12/15/2002
Plug'd Date:
Reentry Date:

BHL: NM69377
Lease Agreement

Well: RED TANK 28 FEDERAL-4
API: 3002536009
@ Srfce: T22S-R32E,28.330s2310e
@ M TD: T22S-R32E,28.330s2310e
Estate: F\F\F
CWDW, R of W:
OCD Admn Order, date:
Frmtn, Depths, psig:

KB: 3580
GL: 3580
Corr: 0

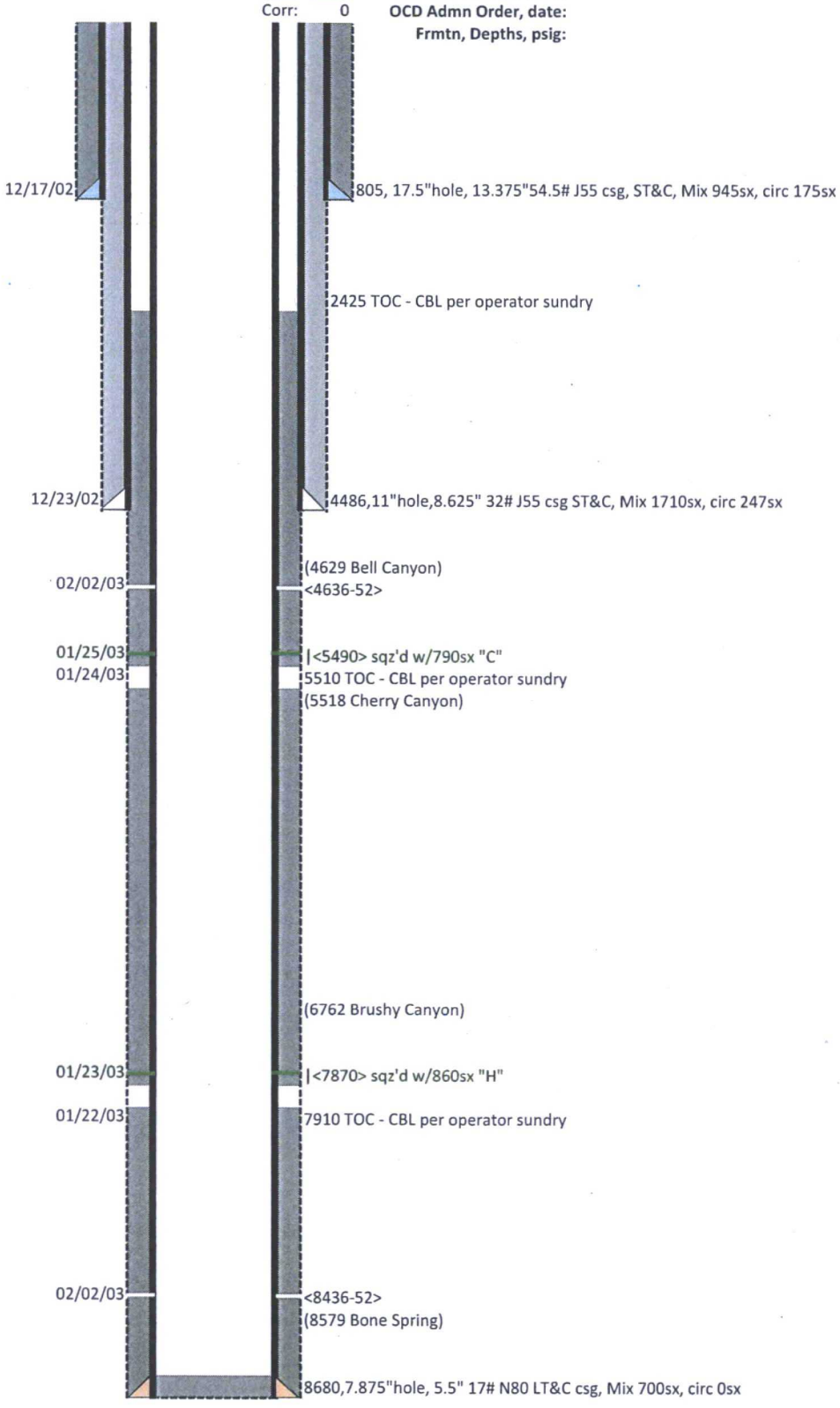

Diagram last updated: 09/05/2017