

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.*5. Lease Serial No.  
Multiple--See Attached  
6. Indian, Allottee or Tribe Name**SUBMIT IN TRIPLICATE - Other instructions on page 2**1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
Multiple--See Attached2. Name of Operator  
OXY USA INCORPORATEDContact: DAVID STEWART  
E-Mail: david\_stewart@oxy.com9. API Well No.  
Multiple--See Attached3a. Address  
P O BOX 4294  
HOUSTON, TX 77210-42943b. Phone No. (include area code)  
Ph: 432-685-571710. Field and Pool or Exploratory Area  
MESA VERDE4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Multiple--See Attached11. 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			
<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 APD
	<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 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 must 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 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.

This bulk sundry request for five Mesa Verde Unit wells in sections 16 and 18. These wells will be drilled with a Big Hole design. The wells related to this sundry request are:

Mesa Verde BS Unit #10H - 30-025-44188 - NMNM66925  
Mesa Verde BS Unit #11H - 30-025-44187 - NMNM66925  
Mesa Verde BS Unit #22H - 30-025-44559 - NMNM55953  
Mesa Verde BS Unit #23H - 30-025-44560 - NMNM55953  
Mesa Verde BS Unit #24H - 30-025-44561 - NMNM55953

All five wells will be drilled using the same design except for differences in lateral length. The

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Electronic Submission #421240 verified by the BLM Well Information System  
For OXY USA INCORPORATED, sent to the Hobbs  
Committed to AFMSS for processing by PRISCILLA PEREZ on 05/29/2018 (18PP1100SE)

Name (Printed/Typed) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 05/23/2018

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

Approved By MUSTAFA HAQUE

Title PETROLEUM ENGINEER

Date 08/14/2018

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 Hobbs

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 #421240 that would not fit on the form

### 5. Lease Serial No., continued

NMNM55953  
NMNM66925

### Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM137096X	NMNM66925	MESA VERDE BS UNIT 10	30-025-44188-00-X1	Sec 18 T24S R32E SESE 420FSL 1040FEL 32.211315 N Lat, 103.708656 W Lon
NMNM137096X	NMNM66925	MESA VERDE BS UNIT 11	30-025-44187-00-X1	Sec 18 T24S R32E SESE 420FSL 1070FEL 32.211315 N Lat, 103.708748 W Lon
NMNM137096X	NMNM55953	MESA VERDE BS UNIT 22H	30-025-44559-00-X1	Sec 16 T24S R32E SWSW 250FSL 1285FWL 32.210953 N Lat, 103.684036 W Lon
NMNM137096X	NMNM55953	MESA VERDE BS UNIT 23H	30-025-44560-00-X1	Sec 16 T24S R32E SWSW 250FSL 1255FWL 32.210953 N Lat, 103.684128 W Lon
NMNM137096X	NMNM55953	MESA VERDE BS UNIT 24H	30-025-44561-00-X1	Sec 16 T24S R32E SWSW 250FSL 1225FWL 32.210953 N Lat, 103.684227 W Lon

### 32. Additional remarks, continued

lateral lengths are provided in the chart below The specific details (i.e. depth intervals, casing weights and grades, cement volumes, etc?) will remain similar across all wells. The information that will not change from the original APD will not be included here. The information shown below is for the Mesa Verde BS Unit 10H.

Mesa Verde BS Unit #10H - H&P 556 - 10000'  
Mesa Verde BS Unit #11H - H&P 556 - 7500'  
Mesa Verde BS Unit #22H - H&P 617 - 10000'  
Mesa Verde BS Unit #23H - H&P 617 - 10000'  
Mesa Verde BS Unit #24H - H&P 617 - 10000'

## OXY USA Inc. – Mesa Verde BS Unit - Amended Drilling Plan – Big Hole

### Bulk Sundry Details – Big Hole

This is a bulk sundry request for five Mesa Verde Unit wells in sections 16 and 18. These wells will be drilled with a Big Hole design. The wells related to this sundry request are:

Well Name	API	Lease Number
Mesa Verde BS Unit 10H	3002544188	NMNM66925
Mesa Verde BS Unit 11H	3002544187	NMNM66925
Mesa Verde BS Unit 22H	3002544559	NMNM55953
Mesa Verde BS Unit 23H	3002544560	NMNM55953
Mesa Verde BS Unit 24H	3002544561	NMNM55953

All five wells will be drilled using the same design except for differences in lateral length. The lateral lengths are provided in the chart below. The specific details (i.e. depth intervals, casing weights and grades, cement volumes, etc...) will remain similar across all wells. The information that will not change from the original APD will not be included here. The information shown below is for the Mesa Verde BS Unit 10H.

Well Name	Rig	Lateral Length
Mesa Verde BS Unit 10H	H&P 556	10,000'
Mesa Verde BS Unit 11H	H&P 556	7,500'
Mesa Verde BS Unit 22H	H&P 617	10,000'
Mesa Verde BS Unit 23H	H&P 617	10,000'
Mesa Verde BS Unit 24H	H&P 617	10,000'

# OXY USA Inc. – Mesa Verde BS Unit - Amended Drilling Plan – Big Hole

## 1. Geologic Formations

TVD of target	10004'	Pilot Hole Depth	N/A
MD at TD:	20668'	Deepest Expected fresh water:	909'

## 2. Casing Program

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF		Buoyant Body SF	Buoyant Joint SF
	From (ft)	To (ft)					Collapse	Burst	Tension	Tension
17.5	0	959	13.375	54.5	J55	BTC	1.125	1.2	1.4	1.4
12.25	0	4712	9.625	43.5	L80	BTC	1.125	1.2	1.4	1.4
8.5	0	20668	5.5	20	P110	DQX	1.125	1.2	1.4	1.4
SF Values will meet or Exceed										

## 3. Cementing Program

Casing	Slurry	#Sks	Wt. (Lb/gal)	Yld ft3/sack	H2O gal/sk	500# Comp. Strength	Slurry Description
Surface	Tail	988	14.8	1.33	6.365	5:26	Accelerator
Intermediate	Lead	1,269	12.9	1.88	10.13	7:32	Retarder, Extender, Dispersant
	Tail	141	14.8	1.33	6.42	6:31	Retarder, Dispersant, Salt
1st Stage Production	Lead	232	13.2	1.65	6.686	3:49	Extender, Accelerator, Dispersant
	Tail	1,775	13.2	1.65	6.686	3:49	Extender, Accelerator, Dispersant
2nd Stage Production	Tail	419	12.9	1.88	9.356	9:49	Retarder, Dispersant, Fluid Loss Control, Extender
2nd Stage Production cement will be pumped from surface as a bradenhead squeeze							

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	959	N/A	100%
Intermediate	0	4212	4212	4712	100%	20%
1st Stage Production	6896	8489	8489	20668	5%	5%
2nd Stage Production	N/A	N/A	4212	6896	N/A	25%

#### **4. Pressure Control Equipment**

##### **BOP Break Testing Request**

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

- After a full BOP test is conducted on the first well on the pad.
- When skidding to drill an intermediate section that does not penetrate into the Wolfcamp.
- Full BOP test will be required prior to drilling any production hole.

#### **5. Mud Program**

<b>Depth</b>		<b>Type</b>	<b>Weight (ppg)</b>	<b>Viscosity</b>	<b>Water Loss</b>
<b>From (ft)</b>	<b>To (ft)</b>				
0	959	Water-Based Mud	8.6-8.8	40-60	N/C
959	4712	Saturated Brine-Based Mud	9.8-10.2	35-45	N/C
4712	20668	Water-Based Mud or Oil-Based Mud	8.0-8.6	38-50	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Oxy will use a closed mud system.

What will be used to monitor the loss or gain of fluid?	PVT/MD Totco/Visual Monitoring
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#### **6. Drilling Conditions**

**Total estimated cuttings volume: 1707 bbls.**

# PECOS DISTRICT

## DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA Inc
LEASE NO.:	NM66925
WELL NAME & NO.:	Mesa Verde BS Unit 10H
SURFACE HOLE FOOTAGE:	420'/S & 1040'/E
BOTTOM HOLE FOOTAGE:	180'/N & 440'/E, sec. 7
LOCATION:	Sec. 18, T. 24 S, R. 32 E
COUNTY:	Lea County

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 13 3/8 inch surface casing shall be set at approximately **959** 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 9 5/8 inch intermediate casing is:

- 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.

**Operator has proposed to pump down 9 5/8" X 5 1/2" annulus. Operator must run a CBL from the TD of the 5 1/2" casing to 9 5/8" casing shoe.**

**MHH 08142018**

## 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.