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.

Carlsbad Field Office
Hobbs OCD Hobbs
OCT 10 2018
RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM069376

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.
TACO CAT 27-34 FEDERAL COM 31H

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

9. API Well No.
30-025-44935

3a. Address
P.O. BOX 50250
MIDLAND, TX 79710

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

10. Field and Pool or Exploratory Area
WILDCAT WOLFCAMP

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 27 T22S R32E NWNW 260FNL 820FWL
32.369206 N Lat, 103.668458 W Lon

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 Change to Original APD
	☐ 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.

OXY USA Inc. respectfully requests to changes in casing, cementing, mud program design, and BOP Testing, see attached.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #436918 verified by the BLM Well Information System
For OXY USA INC, sent to the Hobbs
Committed to AFMSS for processing by MUSTAFA HAQUE on 09/26/2018 ()

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

Signature (Electronic Submission) — Date 09/25/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Mustafa Haque — Title Petroleum Engineer — Date 09/27/2018

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 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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **** KZ

OXY USA Inc. - Taco Cat 27-34 Federal Com 31H – Amend Drill Plan

This sundry reflects changes in casing design, cement design, BOP Testing, and mud program design.

1. Casing Program

Hole Size (in)	Casing Interval From (ft)	Casing Interval To (ft)	Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	Buoyant Body SF Tension	Buoyant Joint SF Tension
17.5	0	845	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
12.25	0	8700	9.625	43.5	HCL-80	BTC	1.125	1.2	1.4	1.4
8.5	0	4200	7.625	26.4	HCL-80	SF	1.125	1.2	1.4	1.4
	4200	11350	7.625	26.4	HCL-80	FJ	1.125	1.2	1.4	1.4
6.75	0	22234	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
							SF Values 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 cancelation cone and not pump the second stage.

Annular Clearance Variance Request

As per the agreement reached in the Oxy/BLM meeting on Feb 22, 2018, Oxy requests permission to allow deviation from the 0.422" annular clearance requirement from Onshore Order #2 under the following conditions:

1. Annular clearance to meet or exceed 0.422" between intermediate casing ID and production casing coupling only on the first 500' overlap between both casings.
2. Annular clearance less than 0.422" is acceptable for the curve and lateral portions of the production open hole section.

2. Cementing Program

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface Lead	N/A	N/A	N/A	N/A	N/A	N/A
Surface Tail	969	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate Lead (1st stage)	495	9.0	3.543	14.58	11:00	Pozzolan Cement, Retarder
Intermediate Tail (1st stage)	238	12.9	1.582	8.2	20:00	Class C Cement, Accelerator
Intermediate Lead (2nd stage)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate Tail (2nd stage)	1839	12.9	1.582	8.2	8:00	Class C Cement, Accelerator
Intermediate II Lead	32	10.2	3.061	8.621	30:00	Pozzolan Cement, Retarder
Intermediate II Tail	204	13.2	1.654	8.637	14:00	Class C Cement, Accelerator
Production Lead	N/A	N/A	N/A	N/A	N/A	N/A
Production Tail	724	13.2	1.654	8.637	16:22	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface Lead	N/A	N/A	N/A
Surface Tail	0	845	100%
Intermediate Lead (1st stage)	4900	7700	100%
Intermediate Tail (1st stage)	7700	8700	20%
Intermediate Lead (2nd stage)	N/A	N/A	N/A
Intermediate Tail (2nd stage)	0	5000	100%
Intermediate II Lead	8200	10300	50%
Intermediate II Tail	10300	11350	50%
Production Lead	N/A	N/A	N/A
Production Tail	10800	22234	20%

Include Pilot Hole Cementing specs:
Pilot hole depth: 13,675' (MD)
KOP: 11,493' (MD)

Plug Top (MD)	Plug Bottom (MD)	Excess	No. Sacks	Wt. (lb/gal)	Yld (ft3/sack)	Water (gal/sk)	Slurry Description and Cement Type
13025	13675	10%	172	15.6	1.032	4.13	NeoCem TM
12375	13025	10%	172	15.6	1.032	4.13	NeoCem TM
11725	12375	10%	172	15.6	1.032	4.13	NeoCem TM
11125	11725	10%	172	17.5	0.952	3.51	Class H Cement, Retarder

Note: The first to third plugs are designed to isolate the high pressure zones in the Pilot Hole from the KOP. The fourth plug is designed to provide a strong foundation for sidetracking at the KOP.

3. 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:

- 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.

4. Mud Program

PILOT

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	845	Water-Based Mud	8.6-8.8	40-60	N/C
845	8700	Saturated Brine-Based Mud	10.0-10.2	35-45	N/C
8700	10850	Water-Based Mud	8.5-9.5	38-50	N/C
10850	13675	Water-Based Mud	9.5-13.0	42-48	<10 cc

LATERAL

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
11350	22234	Water-Based Mud or Oil-Based Mud	9.0-12.0	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

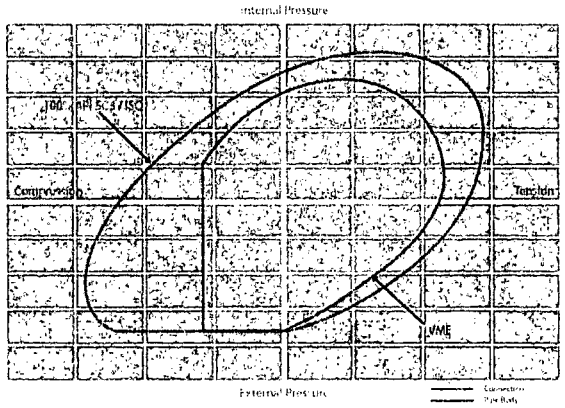
TECHNICAL DATA SHEET TUP F7.5X26.4L HC

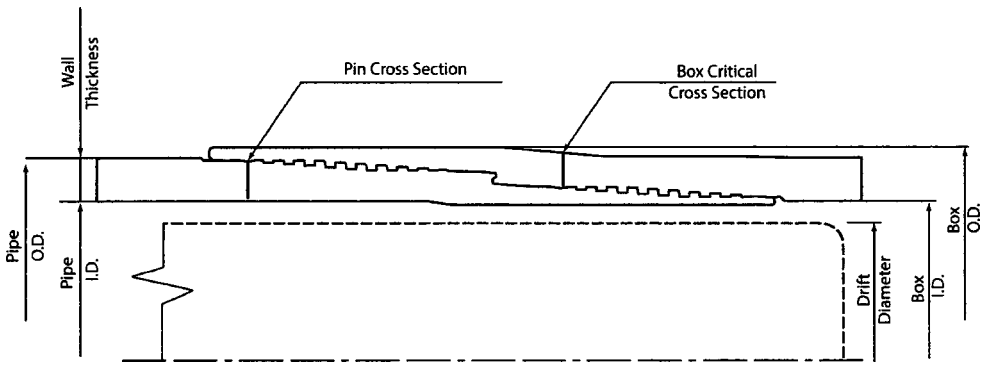
TUBULAR PARAMETERS	
Nominal OD, (inch)	7.625
Wall Thickness, (inch)	0.328
Pipe Grade	L80 HC
Drift	Standard

CONNECTION PARAMETERS	
Connection OD (inch)	7.79
Connection ID, (inch)	6.938
Make-Up Loss, (inch)	6.029
Connection Critical Area, (sq inch)	5.948
Yield Strength in Tension, (klbs)	533
Yeld Strength in Compression, (klbs)	533
Tension Efficiency	89%
Compression Efficiency	89%
Min. Internal Yield Pressure, (psi)	6 020
Collapse Pressure, (psi)	3 910
Uniaxial Bending (deg/100ft)	42.7

MAKE-UP TORQUES	
Yield Torque, (ft-lb)	22 600
Minimum Make-Up Torque, (ft-lb)	15 000
Optimum Make-Up Torque, (ft-lb)	16 500
Maximum Make-Up Torque, (ft-lb)	18 200

PIPE BODY PROPERTIES	
PE Weight, (lbs/ft)	25.56
Nominal Weight, (lbs/ft)	26.40
Nominal ID, (inch)	6.969
Drift Diameter, (inch)	6.844
Nominal Pipe Body Area, (sq inch)	7.519
Yield Strength in Tension, (klbs)	601
Min. Internal Yield Pressure, (psi)	6 020
Collapse Pressure, (psi)	3 910





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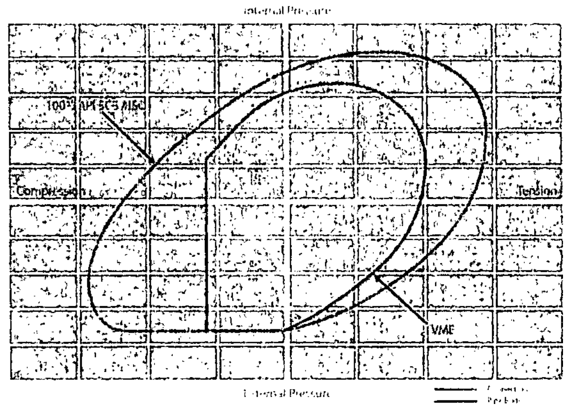
TECHNICAL DATA SHEET TMK UP FJ 7.625 X 26.4 L80 HC

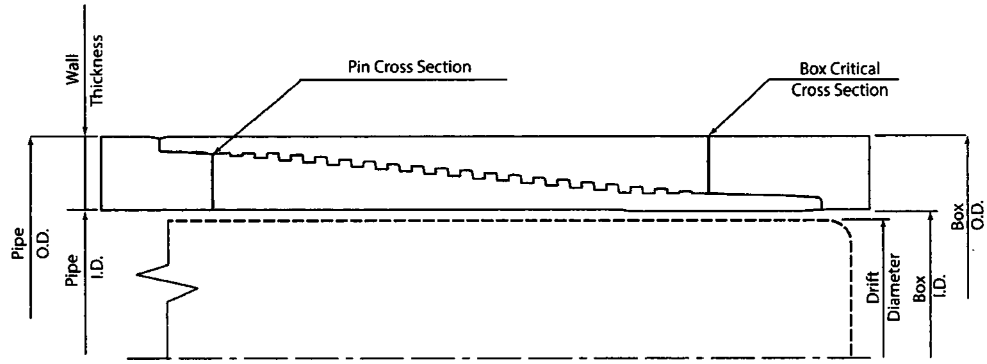
TUBULAR PARAMETERS	
Nominal OD, (inch)	7.625
Wall Thickness, (inch)	0.328
Pipe Grade	L80 HC
Drift	Standard

PIPE BODY PROPERTIES	
PE Weight, (lbs/ft)	25.56
Nominal Weight, (lbs/ft)	26.40
Nominal ID, (inch)	6.969
Drift Diameter, (inch)	6.844
Nominal Pipe Body Area, (sq inch)	7.519
Yield Strength in Tension, (klbs)	601
Min. Internal Yield Pressure, (psi)	6 020
Collapse Pressure, (psi)	3 910

CONNECTION PARAMETERS	
Connection OD (inch)	7.63
Connection ID, (inch)	6.975
Make-Up Loss, (inch)	4.165
Connection Critical Area, (sq inch)	2.520
Yield Strength in Tension, (klbs)	347
Yeld Strength in Compression, (klbs)	347
Tension Efficiency	58%
Compression Efficiency	58%
Min. Internal Yield Pressure, (psi)	6 020
Collapse Pressure, (psi)	3 910
Uniaxial Bending (deg/100ft)	28.0



MAKE-UP TORQUES	
Yield Torque, (ft-lb)	22 200
Minimum Make-Up Torque, (ft-lb)	12 500
Optimum Make-Up Torque, (ft-lb)	13 900
Maximum Make-Up Torque, (ft-lb)	15 300



NOTE: [illegible] Technical Data Sheet is for general information only and does not guarantee performance or imply fitness for a particular purpose, which only a competent drilling professional can determine considering the specific installation and operation parameters. This information supersedes all prior versions for this connection. Information that is printed or downloaded is no longer controlled by TMK and might not be the latest information. Anyone using the information herein does so at their own risk. To verify that you have the latest technical information please contact PAO TMK Technical Sales in Russia (Tel: +7 (495) 775-76-[illegible] Email: [illegible]) and TMK IPSCO in North America (Tel: +1 (281) 949-1044, Email: [illegible]).

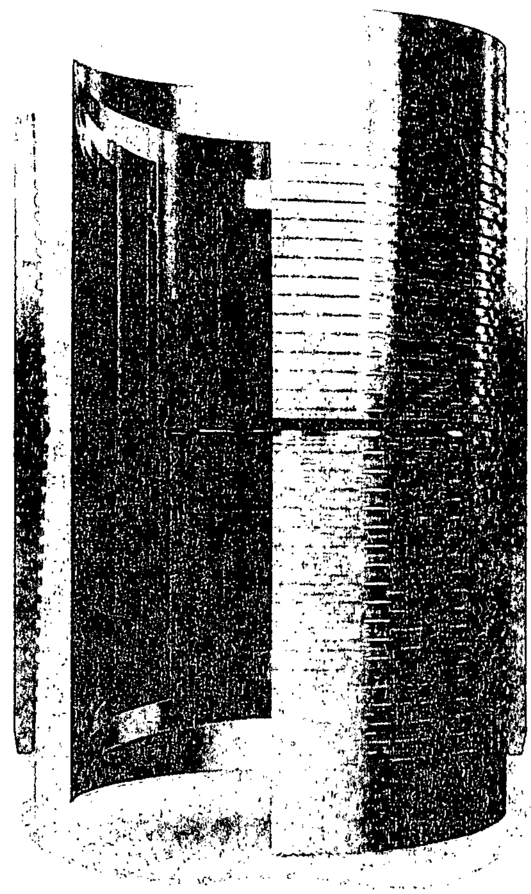
Print date: 07/10/2018 20:11

PERFORMANCE DATA

TMK UP DQX	5.500 in	20.00 lbs/ft	P-110
Technical Data Sheet			

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	in²			



Connection Parameters

Connection OD	6.050	in
Connection ID	4.778	in
Make-Up Loss	4.122	in
Critical Section Area	5.828	in²
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

TMK IPSCO

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OXY USA INC.
LEASE NO.:	NMNM069376
WELL NAME & NO.:	31H –TACO CAT 27-34 FEDERAL COM
SURFACE HOLE FOOTAGE:	260'/N & 820'/W
BOTTOM HOLE FOOTAGE	180'/S & 500'/W
LOCATION:	Section 27.,T22S., R.32E., NMP
COUNTY:	LEA County, New Mexico

Potash	○ None	○ Secretary	◉ R-111-P
Cave/Karst Potential	◉ Low	○ Medium	○ High
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	
Other	☐4 String Area	☐Capitan Reef	☐WIPP

All previous COAs still apply except for the following:

A. CASING

1. The minimum required fill of cement behind the **9 5/8** inch first intermediate casing is:

Option 1 (Single Stage):

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

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first 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.

Second intermediate casing must be kept at least 2/3rd fluid filled to meet BLM minimum collapse requirement.

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

    - Cement as proposed. Operator shall provide method of verification.

Pilot hole is required to have a plug at the bottom of the hole. If two plugs are set, the BLM is to be contacted (575-393-3612) prior to tag of bottom plug, which must be a minimum of 230' in length. Operator can set one plug from bottom of pilot hole to kick-off point and save the WOC time for tagging the first plug. Note plug tops on subsequent drilling report.

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. **Excess calculates to 24% - additional cement might be required.**

MHH 09272018

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.