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

HOBBS OCD
SEP 17 2019
RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-45957

5. Indicate Type of Lease STATE ☑ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND 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.)

7. Lease Name or Unit Agreement Name

1. Type of Well: Oil Well ☑ Gas Well ☐ Other

8. Well Number 012H

2. Name of Operator
OXY USA INC.

9. OGRID Number
16696

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

10. Pool name or Wildcat
RED TANK; BONE SPRING, EAST

4. Well Location
Unit Letter D : 160 feet from the NORTH line and 920 feet from the WEST line
Section 30 Township 22S Range 33E NMPM LEA County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☑	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER:			☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

OXY USA INC. respectfully requests approval for the following changes to the drilling plan:

1. Casing design modification. 3-string design with a 4-string contingency plan if high pressure H2S is encountered while drilling.
2. Cement program modification for amended casing design.
3. Offline cementing request.

Spud Date: 9/10/19 Rig Release Date:

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

SIGNATURE Leslie Reeves TITLE REGULATORY ADVISOR DATE 9/16/19

Type or print name LESLIE REEVES E-mail address: LESLIE_REEVES@OXY.COM PHONE: 713-497-2492

For State Use Only

APPROVED BY: TITLE Petroleum Engineer DATE 09/19/19

Conditions of Approval (if any):

Oxy USA Inc. - Avogato 30-31 State Com 12H

1. Casing Program

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	Buoyant Body SF Tension	Buoyant Joint SF Tension
	From (ft)	To (ft)								
17.5	0	1620	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
12.25	0	8826	9.625	36	L-80 HC	BTC	1.125	1.2	1.4	1.4
8.5	0	19771	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.

*Oxy requests the option to run production casing with DQX, SF TORQ, and/or DQW TORQ connections to accommodate hole conditions or drilling operations.

***Note: If high pressure H2S water flows are seen Oxy requests the option to set 9-5/8" shallower ~ 6300-6800ft. This would convert the well to a 4 string design as shown below:**

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	Buoyant Body SF Tension	Buoyant Joint SF Tension
	From (ft)	To (ft)								
17.5	0	1620	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
12.25	0	6400	9.625	36	L-80 HC	BTC	1.125	1.2	1.4	1.4
8.5	0	8826	7.625	20	L-80 HC	SF/FJ	1.125	1.2	1.4	1.4
6.75	0	19771	5.5	20	P-110	DQX	1.125	1.2	1.4	1.4
							SF Values will meet or Exceed			

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)	1704	14.8	1.33	6.365	5:26	Class C Cement, Accelerator
Intermediate 1st Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate 1st Stage (Tail)	298	13.2	1.65	8.640	11:54	Class H Cement, Retarder, Dispersant, Salt
Intermediate 2nd Stage (Tail Slurry) to be pumped as Bradenhead Squeeze from surface, down the Intermediate annulus						
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	1342	12.9	1.92	10.41	23:10	Class C Cement, Accelerator
Production (Lead)	N/A	N/A	N/A	N/A	N/A	N/A
Production (Tail)	2286	13.2	1.38	6.686	3:39	Class H Cement, Retarder, Dispersant, Salt

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	N/A	N/A	N/A
Surface (Tail)	0	1620	100%
Intermediate 1st Stage (Lead)	N/A	N/A	N/A
Intermediate 1st Stage (Tail)	7388	8826	5%
Intermediate 2nd Stage (Lead)	N/A	N/A	N/A
Intermediate 2nd Stage (Tail)	0	7388	10%
Production (Lead)	N/A	N/A	N/A
Production (Tail)	8326	19771	20%

Oxy USA Inc. - Avogato 30-31 State Com 12H

Oxy requests a variance to cement the 9.625" and/or 7.625" intermediate casing strings offline in accordance to the approved variance, EC Tran 461365.

The summarized operational sequence will be as follows:

1. Run casing as per normal operations. While running casing, conduct negative pressure test and confirm integrity of the float equipment (float collar and shoe).
2. Land casing.
3. Fill pipe with kill weight fluid, and confirm well is static.
    a. If well is not static notify BLM and kill well.
    b. Once well is static notify BLM with intent to proceed with nipple down and offline cementing.
4. Set and pressure test annular packoff.
5. After confirmation of both annular barriers and internal barriers, nipple down BOP and install cap flange. If any barrier fails to test, the BOP stack will not be nippled down until after the cement job is completed.
6. Skid rig to next well on pad.
7. Confirm well is static before removing cap flange.
8. If well is not static notify BLM and kill well prior to cementing or nippling up for further remediation.
9. Install offline cement tool.
10. Rig up cement equipment.
    a. Notify BLM prior to cement job.
11. Perform cement job.
12. Confirm well is static and floats are holding after cement job.
13. Remove cement equipment, offline cement tools and install night cap with pressure gauge for monitoring.

3. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	1620	Water-Based Mud	8.6-8.8	40-60	N/C
1620	8826	Saturated Brine-Based or Oil-Based Mud	8.0-10.0	35-45	N/C
8826	19771	Water-Based or Oil-Based Mud	8.0-9.6	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.