

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Artesia

FORM APPROVED
OM-B No 1004-0137
Expires March 31, 2007

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 reverse side

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

2. Name of Operator
OXY UDA Inc.

3a. Address
1017 W. Stanolind Rd. Hobbs, NM 88240

3b. Phone No. (include area code)
575-397-8247

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)

03-22S-31E-330FNL-2310FWL

5. Lease Serial No.

NM0417696

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lost Tank Federal 4 #1

9. API Well No.

30-015-38727 28727

10. Field and Pool, or Exploratory Area

Lost Tank Delaware West

11. County or Parish, State

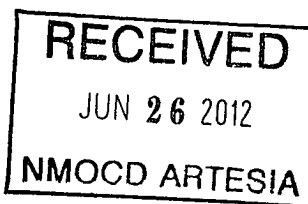
Eddy Cnty, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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"/> Fracture Treat	<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 Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 began flaring at the Lost Tank Federal 4 #1 location on 6-9-2012 at 6:00a.m. due to DCP Hat Mesa shutting in their lines. Please see attached page/s for additional information regarding the flare event.



SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. Thereby certify that the foregoing is true and correct
Name (Printed/Typed)

Brenda Hodges

Title **HES Administrative Assistant**

Signature *Brenda Hodges*

Date **06/11/2012**

BRDade 7/5/12
Accepted for record
NMOCD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)

District I 1625 N French Dr., Hobbs, NM 88240 State of New Mexico Form C-141
 District II Energy Minerals and Natural Resources Revised October 10, 2003
 District III 1301 W Grand Avenue, Artesia, NM 88210 Oil Conservation Division Submit 2 Copies to appropriate
 District IV 1000 Rio Brazos Road, Aztec, NM 87410 District Office in accordance
 1220 S. St. Francis Dr., Santa Fe, NM 87505 1220 South St. Francis Dr. with Rule 1-16 on back
 Santa Fe, NM 87505 side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report
 ☒ Final Report

Name of Company OXY USA Inc.	Contact Brenda Hodges
Address 1017 W. Stanolind Rd.	Telephone No. (575) 397-8247
Facility Name Lost Tank Federal 4 #1	Facility Type Oil

Surface Owner	Mineral Owner	Lease No. API 30-015-28727
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	03	22S	31E	330	N	2310	W	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE


Type of Release Flare	Volume of Release 300 MCF	Volume Recovered 0
Source of Release Temp. Flare	Date and Hour of Occurrence 6-9-12 @ 6:00am	Date and Hour of Discovery 6-9-12 @ 6:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher	
By Whom? Brenda Hodges, HES Administrative Assistant	Date and Hour 6-11-12 @ 7:47 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse n/a	

If a Watercourse was Impacted, Describe Fully.* **n/a**

Describe Cause of Problem and Remedial Action Taken.* **Oxy began flaring due to DCP Hat Mesa shutting in their lines.**

Describe Area Affected and Cleanup Action Taken.* **Return to sales upon purchaser opening lines**

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Brenda Hodges	Approved by District Supervisor:	
Title: HES Administrative Assistant	Approval Date:	Expiration Date:
E-mail Address: Brenda_Hodges@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 6-11-12 Phone: (575) 397-8247		

* Attach Additional Sheets If Necessary

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant OXY PERMIAN,
whose address is 1017 W. Stanolind Rd.,
hereby requests an exception to Rule 19.15.18.12 for 1 days or until
June 9, Yr 12, for the following described tank battery (or LACT):
Name of Lease Lost Tank Federal 4 #1 Name of Pool Delaware West
Location of Battery: Unit Letter _____ Section 03 Township 22 S Range 31E
Number of wells producing into battery N/A
- B. Based upon oil production of _____ barrels per day, the estimated * volume
of gas to be flared is 300 MCF; Value N/A per day.
- C. Name and location of nearest gas gathering facility:
Lost Tank Federal 4 #1
- D. Distance On Site Estimated cost of connection N/A
- E. This exception is requested for the following reasons: Oxy began flaring due to DCP Hat Mesa shutting in their lines

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief

Signature Brenda Hodges

Printed Name Brenda Hodges
& Title HES Administrative Assistant

E-mail Address Brenda_Hodges@oxy.com

Date 6-11-2012 Telephone No. 575-397-8247

OIL CONSERVATION DIVISION

Approved Until _____

By _____

Title _____

Date _____

* Gas-Oil ratio test may be required to verify estimated gas volume.

Hodges, Brenda K (Preferred Personnel)

From: Hodges, Brenda K (Preferred Personnel)
Sent: Monday, June 11, 2012 7:47 AM
To: mike.bratcher@state.nm.us
Cc: Summers, Chancey J
Subject: Flaring

Good morning,

Oxy began flaring at the following location due to the DCP Hat Mesa shut in

Lost Tank 4-20 Deep started flaring 6/7/12 at 7:45 pm, stopped 6/9/12 at 12:30 pm, flared about 2650 mcf

Lost Tank 3-23 Deep started flaring 6/7/12 at 9:30pm, stopped 6/8/12 at 2:00 pm, flared about 600 mcf

Lost Tank 3-5 battery started flaring 6/8/12 at 6:00 pm, stopped flaring 6/9/12 at 11:30 am, flared about 1150mcf

Lost Tank 4-1 battery started flaring 6/9/12 at 6:00 am, stopped flaring 6/9/12 at 12:00 pm, flared about 300 mcf

C-141's to follow in the mail.

Thanks,

Brenda Hodges

OXY HES

1017 W. Stanolind Rd

Hobbs, NM 88240

575-397-8247

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Oxy USA Inc.
Lost Tank 4 Federal #1
NMNM0417696**

June 23, 2012

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. Flared volumes will still require payment of royalties
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.