

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.*5. Lease Serial No.  
NMNM13413A ✓

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
SAM FEDERAL 2 ✓9. API Well No.  
30-015-24364 ✓10. Field and Pool or Exploratory Area  
ROCK SPUR MORROW (GAS)11. County or Parish, State  
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
OXY USA INC.Contact: DAVID STEWART  
E-Mail: david\_stewart@oxy.com3a. Address  
P.O. BOX 50250  
MIDLAND, TX 797103b. Phone No. (include area code)  
Ph: 432-685-5717  
Fax: 432-685-5742

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

Sec 26 T25S R28E SWNE 1980FNL 1980FEL ✓  
32.102745 N Lat, 104.055611 W Lon**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 checked="" 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 ShutIn Notice
	<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 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. ("OXY") operates the Sam Federal #2 (API 30-015-24364) well, being the only well holding Federal lease NMNM 13413A. OXY utilizes Enterprise Products Partners L.P.'s ("Enterprise") pipeline to transport gas produced from the Sam Federal #2, which is located in very close proximity to a dry creek bed that drains into the Pecos River.

Due to the potential environmental impacts of leaks on this 300-foot lateral that connects the Sam Federal #2 to Enterprise's potash gathering system, Enterprise will be clamping this line and not putting it back into service until further discussions and evaluations can be made.

OXY respectfully request a Shut-In Status for the Sam Federal #2, last production was 10/14/2016.

NM OIL CONSERVATION  
ARTESIA DISTRICT

JUN 16 2017

RECEIVED

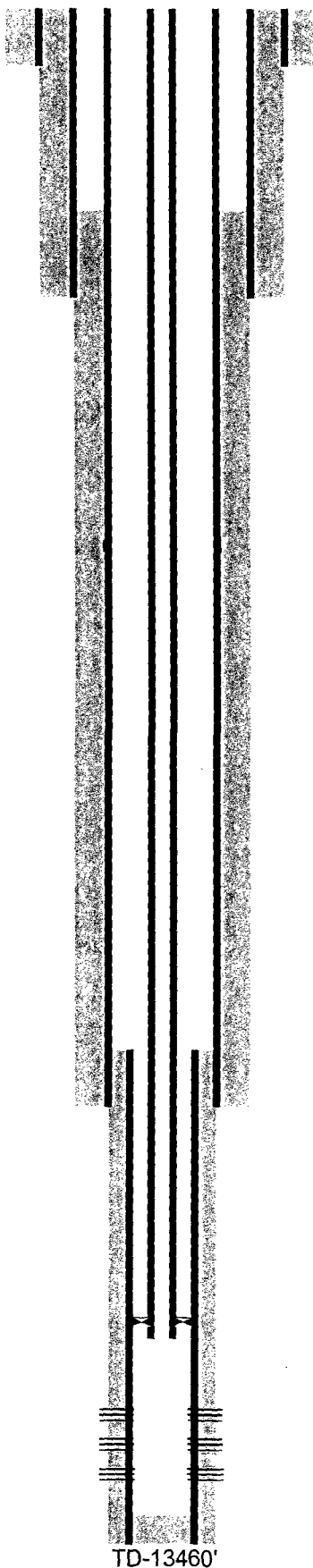
*Accepted for Record until 11/25/2017. See attached OAD.*

14. I hereby certify that the foregoing is true and correct.		Electronic Submission #360146 verified by the BLM Well Information System For OXY USA INC., sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 01/17/2017 ()		Accepted for record NMOCB 6/20/17	
Name (Printed/Typed) DAVID STEWART		Title SR. REGULATORY ADVISOR			
Signature (Electronic Submission)		Date 6/19/2016		ACCEPTED FOR RECORD	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE					
Approved By		Title		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		MAY 25 2017	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and maliciously to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		BUREAU OF LAND MANAGEMENT		CARLSBAD FIELD OFFICE	

(Instructions on page 2)

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

OXY USA Inc. - Current  
Sam Federal #2  
API No. 30-015-24364



26" hole @ 602'  
20" csg @ 602'  
w/ 1800sx-TOC-Surf-Circ

17-1/2" hole @ 2637'  
13-3/8" csg @ 2637'  
w/ 2600sx-TOC-Surf-Circ

12-1/4" hole @ 9765'  
9-5/8" csg @ 9765'  
w/ 2600sx-TOC-2230'-TS  
DVT @ 5004'

2-3/8" tbg @ 11865' w/ DB Pkr @ 11850'

8-1/2" hole @ 13460'  
5" liner @ 9368-13460'  
w/ 1475sx-TOC-9368'-Circ

Perfs @ 12632-13200'

PB-13418'

TD-13460'

## **Shut-In Status of a Producing Gas Well**

**Oxy USA Inc.**

**Sam - 02, API 3001524364**

**T25S-R28E, Sec 26, 1980FNL & 1980FEL**

05/25/2017 - Beginning 11/2016 until 11/25/2017 (the BLM designated renewal date) SI status accepted for record with this attached order of authorized officer. pswartz

- 1) This gas well accepted for a Shut-In Status of one year beginning the first report month of no production.
- 2) On or before the expiration of the BLM designated renewal date, submit a subsequent sundry for continued SI status acceptance or a notice of intent sundry for recompletion, or abandonment (temporary or permanent) for BLM approval.
- 3) For continued SI status, submit a subsequent sundry with a current 24hr production test, a BLM witnessed Mechanical Integrity Test chart record, and justification (wells capable of current production and not being produced due to location, facility, marketing, economic restrictions, or are BLM approved for a workover or recompletion may be accepted for continued Shut-In Status).
  - i) The minimum MIT pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need reduction).
  - ii) Verify that all annular casing vents are open to the surface atmosphere during this pressure test and record any reaction.
  - iii) Document the pressure test on a one hour full rotation chart recorder (calibrated within the last 6 months) registering within 35 to 75 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict status approval.
  - iv) Maintaining the annulus full of packer fluid at atmospheric pressure will suffice for the MIT pressure test requirement. Equipment that will display on site, continuous open to the air fluid level above the casing vent is necessary.
  - v) Excessive (+5 bbls/month) gain or loss of annular fluid volume requires BLM notification.
- 4) Upon production resumption submit a subsequent sundry of notification.
- 5) Federal Oil & Gas leases are held by well production or actively drilling for production during the end of the primary term of the lease. A Shut-In status will not hold the lease.
- 6) If you do not comply as noted, you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outline in 43 CFR 3163.1, and may also incur civil penalties (43CFR 3163.2). All self-certified corrections must be postmark no later than the next business day after the prescribed time frame for correction.
- 7) Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

- 8) A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4).