



**OXY USA WTP LP**

5 Greenway Plaza., Houston, TX 77046  
P.O. Box 4294, Houston, TX 77210-4294  
713-215-7000

July 22, 2008

**JUL 25 2008**  
**OCD-ARTESIA**

Mr. James Stovall  
Field Manager, Carlsbad  
Bureau of Land Management  
620 E. Greene St.  
Carlsbad, NM 88220

30-015-30579

RE: I & E CFO  
#08DN027WTA – Old Ranch Canyon 7 Fed # 3

Dear Mr. Stovall,

OXY USA WTP LP received the above referenced notice and has evaluated the well for repair or abandonment. Significant effort has been made to retrieve several fish in the hole. The effort has been difficult due the presence of an ESP, associated electric cable and a crooked hole. Pieces of cable, cable straps and parted tubing are firmly wedged and can not be moved.

After a complete review of the workover history and attempts to retrieve the fish, OXY is of the opinion that the fish can not be retrieved and the well will be plugged from the top of the fish. A plugging procedure is being prepared and will be submitted within the next few days. A quick approval will be appreciated as we have a rig ready to move on the well.

Please call me if you or your staff would like more information or would like to discuss this well with OXY personnel.

Sincerely,

Elizabeth S. Bush-Ivie, P.E.  
Regulatory Team Leader  
713-366-5303

cc: D. Stewart  
B. Meadows  
K. Hobbs  
T. Gum/NMOCD

Accepted for record - NMOCD

I & E CFO

Number 08DN027WTA

Page of

☒ Certified Mail - Return  
Receipt Requested  
70073020000206491135

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NOTICE OF WRITTEN ORDER

|                |           |
|----------------|-----------|
| IDENTIFICATION |           |
| IID            |           |
| Lease          | NMNM81219 |
| CA             |           |
| Unit           |           |
| PA             |           |

|   |                       |                           |                 |   |                 |                |             |
|---|-----------------------|---------------------------|-----------------|---|-----------------|----------------|-------------|
| Bureau of Land Management Office                    |                       |                           |                 | Operator  |                 |                |             |
| CARLSBAD FIELD OFFICE                               |                       |                           |                 | OXY USA WTP LIMITED PTNRSHIP                      |                 |                |             |
| Address<br>620 E GREENE STREET<br>CARLSBAD NM 88220 |                       |                           |                 | Address<br>P O BOX 50250<br>MIDLAND TX 79710-0250 |                 |                |             |
| Telephone<br>575-234-5952                           |                       |                           |                 | Attention<br>DAVID STEWART                        |                 |                |             |
| Inspector<br>NEGRETE                                |                       |                           |                 | Attn Addr<br>P O BOX 50250<br>MIDLAND TX 79710    |                 |                |             |
| Site Name<br>OLD RANCH CANYON 7 FED                 | Well or Facility<br>3 | 1/4 1/4 Section<br>SENW 7 | Township<br>22S | Range<br>24E                                      | Meridian<br>NMP | County<br>EDDY | State<br>NM |
| Site Name   | Well or Facility      | 1/4 1/4 Section           | Township        | Range   | Meridian        | County         | State       |
| Site Name   | Well or Facility      | 1/4 1/4 Section           | Township        | Range   | Meridian        | County         | State       |

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

| Date       | Time<br>(24-hour clock) | Corrective Action to be<br>Completed by | Date<br>Corrected | Authority Reference               |
|------------|-------------------------|---|-------------------|-----------------------------------|
| 05/27/2008 | 08:10                   | 07/15/2008                              |                   | 43CFR3162.1(a) / 43CFR3162 3-4(c) |

Remarks:

A RECENT FIELD INSPECTION OF THE ABOVE REFERENCED WELL AND OUR RECORDS INDICATE THAT THE ABOVE WELL IS SHUT-IN (SI) OR TEMPORARILY ABANDONED (TA). THE BUREAU OF LAND MANAGEMENT (BLM) AND MINERALS MANAGEMENT SERVICE (MMS) DEFINITION OF A SHUT-IN WELL IS A COMPLETION THAT IS PHYSICALLY AND MECHANICALLY CAPABLE OF PRODUCTION IN PAYING QUANTITIES OR CAPABLE OF SERVICE USE. THE DEFINITION OF A TEMPORARILY ABANDONED WELL IS A COMPLETION THAT IS NOT CAPABLE OF PRODUCTION IN PAYING QUANTITIES BUT WHICH MAY HAVE VALUE AS A SERVICE COMPLETION. ACCORDING TO OUR RECORDS THE WELL REFERENCED ABOVE HAS BEEN SHUT-IN FOR 6 MONTHS OR LONGER OR HAS BEEN TEMPORARILY ABANDONED WITHOUT AUTHORIZATION.

(Remarks continued on following page(s).)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Company Comments \_\_\_\_\_

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", 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 outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

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 a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

Review and Appeal Rights

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). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer \_\_\_\_\_ Date 5/27/08 Time 0810 HRS

FOR OFFICE USE ONLY

Number 53 Date \_\_\_\_\_ Type of Inspection RR

I & E CFO

BLM Remarks, continued

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43 CFR 3162.3-4 (c) REQUIRES THAT WELLS INCAPABLE OF PRODUCTION IN PAYING QUANTITIES BE PROMPTLY PLUGGED AND ABANDONED AND REQUIRES APPROVAL FOR ANY WELL TEMPORARILY ABANDONED FOR MORE THAN 30 DAYS.

THEREFORE YOU ARE ORDERED TO DO ONE OF THE FOLLOWING

- 1 RETURN THE WELL TO PRODUCTION OR BENEFICIAL USE.
- 2 SUBMIT NOTICE OF INTENT TO PLUG AND ABANDON

IF YOU DECIDE TO RETURN THE WELL TO PRODUCTION, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 5 COPIES) OF INTENT WITHIN 30 DAYS OF RECEIPT OF THIS LETTER. INCLUDE THE DATE YOU ANTICIPATED THE WELL BEING PLACED BACK IN SERVICE. 43 CFR 3162.4-1(c) ALSO REQUIRES YOU TO NOTIFY THE AUTHORIZED OFFICER, NOT LATER THAN THE FIFTH BUSINESS DAY AFTER PRODUCTION IS RESUMED FOR ANY WELL WHICH HAS BEEN OFF PRODUCTION FOR MORE THAN 90 DAYS, THE DATE ON WHICH SUCH PRODUCTION WAS RESUMED. NOTIFICATION MAY BE BY LETTER OR SUNDRY NOTICE, OR ORALLY FOLLOWED BY LETTER OR SUNDRY NOTICE

IF THE WELL IS TO BE USED FOR BENEFICIAL PURPOSES, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 5 COPIES) WITHIN 30 DAYS OF RECEIPT OF THIS LETTER AND INCLUDE INFORMATION CONCERNING FUTURE USE. A BRIEF DESCRIPTION OF YOUR PROPOSED PLANS AND ECONOMIC FEASIBILITY AND AN ANTICIPATED DATE FOR PLACING THE WELL IN BENEFICIAL USE WILL SUFFICE. BENEFICIAL USE INCLUDES, BUT IS NOT LIMITED TO, RECOMPLETION BUT IS NOT LIMITED TO, RECOMPLETION TO OTHER HORIZONS, CONVERSION TO INJECTION FOR SECONDARY OR ENHANCED RECOVERY, AND SALT-WATER DISPOSAL OR INJECTION.

IF YOU DECIDED TO PLUG AND ABANDON THE WELL, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 5 COPIES) WITHIN 30 DAYS OF RECEIPT OF THIS LETTER AND DESCRIBE THE PROPOSED PLUGGING PROGRAM.

FOR MONITORING AND TRACKING PURPOSES, PLEASE SUBMIT APPROPRIATE PAPERWORK TO THIS OFFICE ATTENTION DINAH NEGRETE. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT ME AT (575) 234-5952.