

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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 USA Inc.

16696

3a. Address

P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. (include area code)

432-685-5717

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

2558 FNL 285 FNL SWNW (E) Sec 3 T22S R31E

5. Lease Serial No.

NMNM0417696

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lost Tank 3Federal #21

9. API Well No.

30-015-37920

10. Field and Pool, or Exploratory Area

Lost Tank Delaware, West

11. County or Parish, State

Eddy NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☒ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Amend

Intermediate/Prod

Casing & Cementing

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 recompleate 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 recompleation 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 final site is ready for final inspection.)

RECEIVED

SEP 21 2010

NMOCD ARTESIA

See attached.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD *DD*

APPROVED
Petroleum Engineer
SEP 17 2010
Roger S. Hall
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

David Stewart

Title

Sr. Regulatory Analyst

Date

9/20/10

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

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

OXY USA Inc.

Lost Tank 3 Federal # 21

2558 FNL 285 FWL SWNW(E) Sec 3 T22S R31E

Lat N 32.4206593° Long W 103.7728584°

Eddy County, New Mexico

1. Cementing Program (Changes from Original APD):

Intermediate Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sx	PPG	Ft3/sx
Intermediate (TOC: 0' - Surface)						
Lead: 0' – 3616' (150% Excess)	910	3516'	Halliburton Light Premium Plus + 5 pps Salt + 5 pps Gilsonite + 0.125 pps Poly-E-Flake + 1% Halad(R)-344 + 2% Calcium Chloride	9.63	12.9	1.91
Tail: 3516'– 4100' (150% Excess)	200	484'	Halliburton Premium Plus + 1% Wildlife 734	6.38	14.8	1.34

Production Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sx	PPG	Ft3/sx
Production (TOC: 5900') 1st Stage						
Lead: 5900'– 8145' (100% Excess)	490	2,245'	Halliburton Super H + 5 pps Gilsonite + 1 pps Salt + 0.5% Halad-344 + 0.4% CFR-3 + 0.3% HR-800 + 0.125 pps Poly-E-Flake	7.87	13.2	1.62
Two Stage DV Tool @ 5900 MD'						
Production (TOC: 4150') 2nd Stage						
Lead: 4150'– 5900' (200% Excess)	570	1750'	Halliburton Super H + 0.5 % Halad- 344 + 0.4% CFR-3 + 5 pps Gilsonite + 1pps Salt + 0.125 pps Poly-E-Flake	7.86	13.2	1.62
Pack Off Stage Tool (P.O.S.T) @ 4150'						
Production (TOC: Surface) 3rd Stage						
Lead: 0' – 3373' (35% Excess)	390	3373'	Halliburton Light Premium Plus + 3 pps Salt	11.67	12.4	2.08
Tail: 3373'– 4150' (35% Excess)	150	777'	Halliburton Premium Plus Cement + 5 pps Gilsonite + 0.125 pps Poly-E- Flake	5.81	14.8	1.33

Cement Summary:

Casing	Hole Size	Interval	TOC	Comp.Strength (24 hrs)
8 5/8" 32# J55 LTC	10 5/8"	0' – 4,100'	Surface	851 psi Lead 1343 psi Tail
5 1/2" 17# J-55, LTC	7 7/8"	0' – 8,145'	Surface	560 psi Lead 1817 psi Tail

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	OXY USA Inc.
LEASE NO.:	NMNM0417696
WELL NAME & NO.:	Lost Tank 3 Federal #21
SURFACE HOLE FOOTAGE:	2558' FNL & 285' FWL Sec 03-22S-31E
BOTTOM HOLE FOOTAGE	Same
LOCATION:	Section 03, T. 22 S., R 31 E., NMPM
COUNTY:	Eddy County, New Mexico

B. CASING

1. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is:
The intermediate should be set in the Fletcher Anhydrite or Lamar Limestone within 100 to 600 feet below the base of the salt.

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash concerns.

The DV tool should be placed a minimum of 50 feet below the intermediate casing shoe.

2. The minimum required fill of cement behind the 5-1/2 inch production casing is:
THE MAXIMUM DEPTH OF PENETRATION INTO THE BONE SPRING FORMATION CANNOT EXCEED 100 FEET (8145 feet TVD).

a. First stage to DV tool, cement shall:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

b. Second stage above DV tool, cement shall:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with third stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

c. Third stage above DV tool, cement shall:

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

RGH 091710