

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)

2460 FNL 1850 FEL SWNE(G) Sec 4 T22S R31E

5. Lease Serial No.

NMNM0417696

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or N

8. Well Name and No.

Lost Tank 4 Federal #9

9. API Well No.

30-015-37953

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

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other Amend

☒ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

Intermediate/Prod

☐ Convert to Injection

☐ Plug Back

☐ Water Disposal

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 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 final site is ready for final inspection.)

RECEIVED

NOV 09 2010

NMOCD ARTESIA

See attached.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

NOV - 5 2010

Raymond B. Hahn
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

10/26/10

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 4 Federal #9

API NO. 30-015-37953

STATE: NM

COUNTY: Eddy

SURFACE LOCATION: 2460 FNL 1850 FEL SWNE(G) Sec 4 T22S R31E

SL: LAT:32.4209310° LONG: 103.7797761° X:670812.4 Y: 517291.2 NAD: 27

1. CEMENT PROGRAM (Changes form Original APD): :

Intermediate Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Intermediate (TOC: 0' -3900')							
Lead: 0' - 3416 (150 % Excess)	860	3416	Light Premium Plus Cement, with 5% Salt, 5 lb/sk Gilsonite, & 0.125 lb/sk Poly-E-Flake, 1% Halad-344, 2% Calcium Chloride	9.63	12.9	1.91	851 psi
Tail: 3416' -3900' (150 % Excess)	200	484'	Premium Plus cement with 1% WellLife 734	6.38	14.80	1.34	1343 psi

Production Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Production (TOC: 5900') 1st Stage							
Lead: 5900' - 8106' (100 % Excess)	480	2206'	Super H Cement with 0.5% Halad-344 (Low Fluid Loss Control), 0.4% CFR-3 (Dispersant), 5 lb/sk Gilsonite, 1 lb/sk Salt, 0.3% HR-800 (Retarder), 0.125 lb/sk Ploy-E-Flake (lost circulation additive)	7.87	13.20	1.62	1817 psi
DV Tool @ 5900							
Production (TOC: 3950') 2nd Stage							
Lead: 3950' - 5900' (200% Excess)	630	1950'	Super H Cement with 0.5% Halad-344 (Low Fluid Loss Control), 0.125 lb/sk Poly-E-Flake (Lost Circulation Additive), 5 lb/sk Gilsonite (lost circulation additive), 0.4% CFR-3 (dispersant), 1 lb/sk Salt	7.86	13.20	1.61	1536 psi
Pack-Off Stage Tool @ 3950'							
Production (TOC: Surface) 3rd Stage							
Lead: 0' - 3173 ' (35 % Excess)	370	3173 '	Light Premium Plus with 3 lb/sk Salt	11.67	12.4	2.08	560 psi
Tail: 3173' - 3950 ' 35 % Excess of Annular Volume)	150	777 '	Premium Plus with 5 lb/sk Gilsonite (Low Fluid Loss Control), 0.125 lb/sk Poly-E-Flake (Lost circulation additive)	5.81	14.80	1.33	1750 psi

Casing

8-5/8" 32# J55 LTC
5-1/2" 17# J-55, LTC

Hole Size

10-5/8
7-7/8"

Interval

0-3900'
0-8106'

TOC

Surface
Surface

DVT @ 5900'

POST @ 3950'

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	OXY USA Inc.
LEASE NO.:	NMNM0417696 (API # 3001537953)
WELL NAME & NO.:	Lost Tank 4 Federal #9
SURFACE HOLE FOOTAGE:	2460' FNL & 1850' FEL
BOTTOM HOLE FOOTAGE	Same
LOCATION:	Section 04, 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 at approximately 3900 feet 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 (8106 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 110510

inches O.D. of Surface Casing					Design Factors		5/2010 Page 1 of 1		
Segment	Grade	#/ft	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"							0	0	
"B"							0	0	
							Totals:	0	0
Compare Cement Volumes, Proposed to Minimum									
Hole Size	Annular Volume	Proposed Sx Cmt	CuFt Cmt Proposed	Min Cu Ft	Excess % Cmt	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
Comments for "Csg									
Summary of Engineer's Wellbore Evaluation Secretary's Potash Section: 3 cmt'd csqs, 2 circ'd & prod cmt overlap intrmd 500'.									

11 3/4 inches O.D. of Surface Casing					Design Factors				
Segment	Grade	#/ft	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	H 40	42.00	ST&C	11.25	3.50	0.98	650	27,300	
"B"							0	0	
							Totals:	650	27,300
Compare Cement Volumes, Proposed to Minimum									
Hole Size	Annular Volume	Proposed Sx Cmt	CuFt Cmt Proposed	Min Cu Ft	Excess % Cmt	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
14 3/4	0.4336	540	832	360	131	8.80	1168	2M	1.00
Comments for 11 3/4 "Csg Frac Gradient shows 3.05, burst OK.									

8 5/8 << Casing inside the 11 3/4					Design Factors				
Segment	Grade	#/ft	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	J 55	32.00	LT&C	3.34	1.25	0.95	3,900	124,800	
"B"							0	0	
"C"							0	0	
"D"							0	0	
							Totals:	3,900	124,800
Compare Cement Vol(s), Proposed to Min, with 650 ft overlap above 1st csg shoe.									
Hole Size	Annular Volume	Proposed Sx Cmt	CuFt Cmt Proposed	Min Cu Ft	Excess % Cmt	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
10 5/8	0.2100	1060	1911	869	120	10.00	2313	3M	0.50
Comments for 8 5/8 "Csg Frac Gradient shows 1.01, burst OK.									

5 1/2 inside the 8 5/8					Design Factors				
Segment	Grade	#/ft	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	J 55	17.00	LT&C	1.75	1.19	1.29	8,300	141,100	
"B"							0	0	
"C"							0	0	
"D"							0	0	
							Totals:	8,300	141,100
Compare Cement Vol(s), Proposed to Min, with 3900 ft overlap above 2nd csg shoe.									
Hole Size	Annular Volume	Proposed Sx Cmt	CuFt Cmt Proposed	Min Cu Ft	Excess DVT Cmt	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
7 7/8	0.1733	1630	2761	1459	O K	9.60			0.91
Comments for 5 1/2 "Csg Sundry for 3-Stage cement on 5-1/2". DV Tool at +/- 5900 & pack-off tool @ 3950'									