Form 3160-5
(August 1999)

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

5. Lease Serial No.
NMNM0417696 NMNM041750G

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Lost Tank 10 Federal #4

2. Name of Operator
OXY USA Inc. 16696

9. API Well No.
30-015- 37961

3a. Address
P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. *(include area code)*
432-685-5717

10. Field and Pool, or Exploratory Area
Lost Tank Delaware, West

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SL-300 FSL 250 FEL SESE(P) Sec 3 T22S R31E
BHL-2104 FNL 839 FEL SENE(H) Sec 10 " "

11. County or Parish, State
Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Amend Intermediate/Prod Casing & Cementing
	[X] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] 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 recomplete 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 recompletion 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
Ryan D. 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 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 10 Federal #4
API No. 30-015-37961
STATE: NM COUNTY: Eddy

SURFACE LOCATION: 300 FSL 250 FEL SESE(P) Sec 3 T22S R31E
BOTTOM HOLE LOCATION: 2104 FNL 839 FEL SENE(H) Sec. 10 T22S R31E

SL: LAT:32.4138948° LONG:103.7574917° X:677702.5 Y:514800.6 NAD:27
BH: LAT:32.4073809° LONG:103.7593950° X:677128.0 Y:512395.0 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' –4100')							
Lead: 0' - 3616 (150 % Excess)	910	3616	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: 3616 ' –4100' (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: 6116') 1st Stage							
Lead: 6116' – 9009' (100 % Excess)	630	2893'	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 @ 6116							
Production (TOC: 4150') 2nd Stage							
Lead: 4150' – 6116' (200% Excess)	640	1966'	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 @ 4150 '							
Production (TOC: Surface) 3rd Stage							
Lead: 0' – 3373 ' (35 % Excess)	390	3373 '	Light Premium Plus with 3 lb/sk Salt	11.67	12.4	2.08	560 psi
Tail: 3373 ' – 4150' (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	Hole Size	Interval	TOC
8-5/8" 32# J55 LTC	10-5/8	0–4100'	Surface
5-1/2" 17# J-55, LTC	7-7/8"	0–9009'	Surface

DVT @ 6116' POST @ 4150'

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**OXY USA Inc.**
LEASE NO.:	**NMNM0417506**
WELL NAME & NO.:	**Lost Tank 10 Federal #4**
SURFACE HOLE FOOTAGE:	**300' FSL & 250' FEL, Sec 03-22S-31E**
BOTTOM HOLE FOOTAGE	**2104' FNL & 839' FEL, Sec 10-22S-31E**
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 Anyhydrite 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.**

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

Centralizers required on directional leg, must be type for directional service and minimum of one every other joint.

2. The minimum required fill of cement behind the **5-1/2** inch production casing is:

   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

11 3/4 inches O.D. of Surface Casing — **Design Factors** 1/5/2010 Page 1 of 1

Segment	Grade	#/ft	Coupling	Joint	Collapse	Burst	Length	Weight
"A"	H 40	42.00	ST&C	10.75	3.35	0.93	680	28,560
"B"							**0**	**0**
						Totals:	680	28,560

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	**373**	123	**8.80**	1228	**2M**	1.00

Comments for 11 3/4 " Csg Frac Gradient= 2.91: safety factor for burst is 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	3.18	1.19	0.96	4,100	131,200
"B"							**0**	**0**
"C"							0	0
"D"							**0**	**0**
						Totals:	4,100	131,200

Compare Cement Vol(s), Proposed to Min, with 680 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	**1110**	2006	**913**	120	**10.00**	2290	**3M**	0.50

Comments for 8 5/8 " Csg Frac Gradient= 0.96; safety factor for burst is 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	1.45	1.16	1.30	9,009	153,153
"B"							**0**	**0**
"C"							0	0
"D"							**0**	**0**
8,217	= Max Vertical Depth of the Lateral Portion of Wellbore.					Totals:	9,009	153,153

A Segment Design Factors would be: 1.77 1.2 if it were a vertical wellbore.

Compare Cement Vol(s), Proposed to Min, with 4100 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	**1810**	3062	**1583**	O K	**9.60**			0.91

Comments for 5 1/2 " Csg 4200 KOP, 37° curve 3°/100ft, 5422 EOC, hold slope to 9,009MVD = 8,217VTD per Pathfinder report. SUNDRY to do a 3-Stage cement job. 1st DV tool at +/- 6116, pack off tool @ 4150'.