

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCB 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)

2400 FSL 2250 FEL NWSE(T) 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

8. Well Name and No.

Lost Tank 3 Fala 1 #20

9. API Well No.

30-015-37919

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

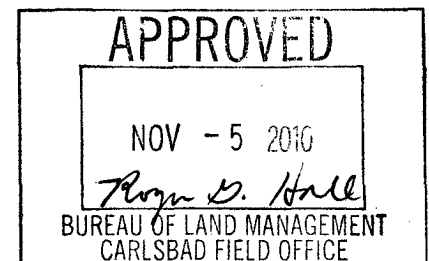
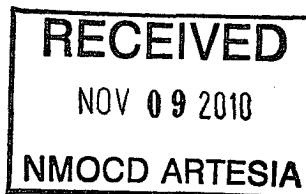
Intermediate/Prod

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 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.)

See attached.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



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 3 Federal #20
API No. 30-015-37919

STATE: NM

COUNTY: Eddy

SURFACE LOCATION: 2400 FSL 2250 FEL NWSE(J) Sec 3 T22S R31E

SL: LAT:32.4197765° LONG:103.7639679° X:675692.6 Y:516896.8 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: 5900') 1st Stage							
Lead: 5900' - 8212' (100 % Excess)	510	2312'	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: 4150') 2nd Stage							
Lead: 4150' - 5900' (200% Excess)	570	1750'	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

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

Hole Size

10-5/8
7-7/8"

DVT @ 5900'

Interval

0-4100'
0-8212'

POST @ 4150'

TOC

Surface
Surface

**PECOS DISTRICT
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	OXY USA Inc.
LEASE NO.:	NMNM0417696 (API # 3001537919)
WELL NAME & NO.:	Lost Tank 3 Federal #20
SURFACE HOLE FOOTAGE:	2400' FSL & 2250' FEL 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 at approximately 4100 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 (8212 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

11 3/4 inches O.D. of Surface Casing					<u>Design Factors</u> 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	
<u>Compare Cement Volumes, Proposed to Minimum</u>									
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		Fracture Gradient = 2.91, Burst is OK							

8 5/8 << Casing inside the 11 3/4					<u>Design Factors</u>				
Segment	Grade	#/ft	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	J 55	32.00	LT&C	3.18	1.19	0.95	4,100	131,200	
"B"							0	0	
"C"							0	0	
"D"							0	0	
Totals:							4,100	131,200	
<u>Compare Cement Vol(s), Proposed to Min, with</u>					<u>680</u>	<u>ft overlap above 1st csg shoe.</u>			
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	2313	3M	0.50
Comments for 8 5/8 " Csg		Fracture Gradient = 0.96, Burst is OK							

5 1/2	inside the	8 5/8	<u>Design Factors</u>						
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	
<u>Compare Cement Vol(s), Proposed to Min, with 4100 ft overlap above 2nd csg shoe.</u>									
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	1620	2755	1460	O K	9.60			0.91
Comments for 5 1/2 " Csg		SUNDRY to do 3-Stage cement job. 1st DV tool - 5900', pack-off tool @4150'. Cement to surface, R-111-P, OK							