

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.

5. Lease Serial No.
NMNM0417696
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
Lost Tank 3 #22
Federal

2. Name of Operator
OXY USA Inc. 16696

9. API Well No.
30-015-37921

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)
2324 FWL 2000 FWL SENW(E) Sec 3 T22S R31E

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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Amend</u>
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Intermediate/Prod</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Casing & Cementing</u>

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 recomplate 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
JAN 10 2011
NMOCD ARTESIA

See attached.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD

DSS

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David Stewart	Title Sr. Regulatory Analyst	APPROVED
<i>[Signature]</i>	Date 12/6/10	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		JAN 6 2011
Approved by	Title	Date <i>[Signature]</i>
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	WESLEY W. INGRAM PETROLEUM ENGINEER

OXY USA Inc
Lost Tank 3 Federal #22
API No. 30-015-37921

SURFACE LOCATION: 2324 FNL 2000 FWL SENW(E) Sec 3 T22S R31E

LAT: 32.4212978° **LONG:** 103.7672994° **X:** 674661.7 **Y:** 517444.8 **NAD:** 27

1. CEMENT PROGRAM:

Intermediate Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Intermediate (TOC:Surface)							
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"

Interval

0-4100'
 0-8212'

TOC

Surface
 Surface

DVT @ 5900'

POST @ 4150'

Lost Tank 3 Federal 22
30-015-37921
OXY USA Inc.
January 6, 2011
Conditions of Approval

1. The **8-5/8 inch intermediate casing shall be cemented to surface and shall be set in the Fletcher Anyhydrite or Lamar Limestone, 100 to 600 feet below the base of the salt.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

The DV tool shall 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:
 - 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 shall 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 shall 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.

WWI 010611