

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOCD Hobbs  
HOBS3 OCDFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**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.*

JUL 31 2013

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

RECEIVED

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMMN69372
2. Name of Operator OXY USA INC		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 4294 HOUSTON, TX 77210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 713-513-6640		8. Well Name and No. EAST LIVINGSTON RIDGE UNIT 5
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T22S R32E SWSE 330FSL 1650FEL		9. API Well No. 30-025-34170
		10. Field and Pool, or Exploratory E.LIVINGSTON RIDGE DELAWA
		11. County or Parish, and State LEA COUNTY, NM

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

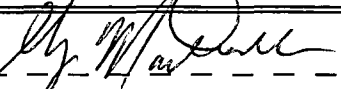
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 Surface Disturbance
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 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 site is ready for final inspection.)

OXY USA INC respectfully request to add 60' additional surface disturbance to the west side of the above mentioned well pad. The additional disturbance is needed for the placement of Frac Ponds to be used to frac approximately 6-8 wells in the area. Once the fracs are complete, the tanks will be removed and the additional disturbance will be reclaimed. If you have any questions or need additional information, please feel free to contact us at any time.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #213266 verified by the BLM Well Information System</b> <b>For OXY USA INC, sent to the Hobbs</b> <b>Committed to AFMSS for processing by KURT SIMMONS on 07/18/2013 ()</b>	
Name (Printed/Typed) JENNIFER A DUARTE	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 07/11/2013

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By 	Signature FIELD MANAGER	Date 7/29/13
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 CARL SBAD FIELD OFFICE	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make 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.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

AUG 21 2013

**BLM LEASE NUMBER:** NMNM69372

**COMPANY NAME:** OXY USA Inc.

**ASSOCIATED WELL NAME:** East Livingston Ridge Unit 5

### FRAC POND CONDITIONS OF APPROVAL

A copy of the application (APD, Grant, or Sundry Notice) and attachments, including stipulations, survey plat and diagram, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all conditions of approval.

Holder agrees to comply with the following conditions of approval to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this permit.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
3. Required Standard Conditions of Approval:

**a. Notification**

Contact the Supervisory Environmental Protection Specialist, Jim Amos, at 575-234-5909 at least 24 hours prior to starting construction.

**b. Freshwater Only**

The frac pond will only be authorized to contain freshwater and testing of water quality is required. Additives are not allowed without consent of the authorized officer in writing.

**c. Contamination**

If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly. The operator will preclude releases of oil into open pits. The operator must remove any accumulation of oil, condensate, or contaminant in a pit within 48 hours of discovery.

**d. Authorized Disturbance**

Confine all construction and maintenance activity to the approved authorized area applied for in the application.

**e. Facilities**

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations. Grey-water, sewage, and trash shall be removed from the site and disposed of properly at a state approved facility.

**f. Escape Ramps**

The operator will construct and maintain frac ponds to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in frac ponds. Escape ramps must be installed at every corner of

the frac pond and in the center of each side if that side exceeds 100 feet in length. Escape ramps must be in contact with the side of the frac pond, bottom of the frac pond, and the top of the frac pond berm. Escape ramps cannot be made of metal and cannot be steeper than a 3:1 slope (Horizontal Distance: Vertical Distance) or 30% slope. (*Examples of escape ramps: 12" wide wooden planks wrapped in matting; felt lining, etc.*)

**g. Frac Pond Pipelines**

Temporary pipelines flowing from the frac pond to the target well will be laid along existing roadways unless an exception has been granted by the authorized officer in writing.

**h. Frac Pond Liner**

The frac pond will be lined with at least a 30 mil. plastic liner. The plastic lining will be removed prior to final abandonment.

**i. Frac Pond Fence**

**j. Erosion Prevention**

Install earthen erosion-control structures as are suitable for the specific terrain and soil conditions.

**k. Reclamation Start**

- I. Reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing wells.
- II. Within 3 months of completion of frac operations on associated wells, all earthwork and final reclamation must be completed. This includes reclaiming and/or removal of:
  - i. Any roads approved for use with the pond
  - ii. Surface water lines
  - iii. Tanks, pumps, fencing etc.

**Requirements for Operations and Final Reclamation:**

4. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such pollutant, wherever found, shall be the responsibility of holder, regardless of fault.

Upon failure of holder to control, dispose of, or clean up such discharge, or to repair all damages resulting there-from, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to

determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

6. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

7. After all disturbed areas have been satisfactorily contoured and prepared for seeding the location needs to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact Jim Amos, Supervisor, Environmental Protection – (575)234-5909, **prior** to beginning surface reclamation operations.

8. Seeding is required: Use the following seed mix.

- |  |  |
|--|--|
| <input type="checkbox"/> seed mixture 1            | <input type="checkbox"/> seed mixture 3      |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4      |
| <input type="checkbox"/> LPC mixture               | <input type="checkbox"/> Aplomado Falcon mix |

9. Special Stipulations: Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

## Hayhurst 18 Federal 1H – drilling and other deficiencies

### General deficiencies

1. 3160-3 – operator marked multiple zones – clarify since this is a horizontal for one depth.
2. Operator shall submit a one mile radius for surface and bottom hole locations. Both circles can be on one page, but shall be as large as possible.

### Drilling

1. Bottom hole is unorthodox – what are operator's intentions for the perforations?
2. Directional plan does not reach an orthodox location in unit letter A. Orthodox location is not reached until the wellbore is approximately 200' into unit letter H. Horizontal rule requires standard setback.
3. BOP description is inadequate – operator shall specify that they are using a multi-bowl wellhead and provide the manufacturer's name in that description. Provide electronic copy of the installation manual for the GE/Vetco wellhead.
4. There is no description of actual BOP/BOPE test in the package. The only documents submitted are the checklists prior to the test.
5. BOP schematics don't match. Choke manifold schematics don't match. Line sizes are different. One manifold appears to have a flex hose, the other does not. 10K choke manifold shall have three chokes.
6. No request for a variance to use a flex hose.

### Notes:

1. Operator should revise their WOC comment. Operator states that they will wait sufficient time; that terminology is not specific.
2. On future submissions, include water volume for the cement mixture. This will aid the inspector and rig personnel.
3. Box 16 corrected to 478.86.

WWI 072513