-	OCD Hobbs								
Form 3160-5 August 2007)	DE	UNITED STATES EPARTMENT OF THE I UREAU OF LAND MANA	NTERIOR	/		FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010			
		VELLS		5. Lease Serial No. NMLC030187					
	Do not use th	is form for proposals to II. Use form 3160-3 (AP	re-enter an		6. If Indian, Allotte				
	SUBMIT IN TRI	PLICATE - Other instruc	ctions on re	verse side.		7. If Unit or CA/Ag	greement, Name and/or No.		
1. Type of Well				8. Well Name and No. LAMUNYON A FEDERAL 2					
2. Name of Operato OXY USA INC	ir /	DAVID STEWART wart@oxy.com			9. API Well No. 30-025-10833	3			
3a. Address P.O. BOX 50250 MIDLAND, TX 79710			3b. Phone No. (include area code) Ph: 432-685-5717 Fx: 432-685-5717 HOB3S OCD			10. Field and Pool, LANGLIE MA	or Exploratory TTIX 7R QN GB		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description						11. County or Paris	h, and State		
Sec 22 T23S R37E SWNW 1980FNL 1980FWL 32.291680 N Lat, 103.152900 W Lon			JUL 2 3 2013			LEA COUNT	Y, NM		
12.	CHECK APP	ROPRIATE BOX(ES) TO) INDICAT	E NATURE OF	NOPICE, F	L REPORT, OR OTH	IER DATA		
TYPE OF SU	BMISSION			TYPE (TYPE OF ACTION				
🛛 Notice of Int	ent	🗖 Acidize	🗖 De	epen	D Produc	ction (Start/Resume)	U Water Shut-Off		
Subsequent I		Alter Casing	_	□ Fracture Treat □ Recla		nation	🖸 Well Integrity		
	-	Casing Repair			Recon	•	Other		
Final Abandonment Notice		Change Plans Convert to Injection		🛿 Plug and Abandon 🗖 Plug Back		Temporarily Abandon Water Disposal			
5-1/2" 14# csg Circulate 10# 1. RIH & set C 2. M&P 40sx c 3. Perf @ 110	MLF between pl MLF between pl IBP @ 3490, M	7 &P 30sx cmt to 3325' & WOC-Tag 25/8' to 989' WOC-Tag pe	-1964'-Calc 36' p (u	1	CON	ATTACHED IDITIONS OF PORECLAN	APPROVAL ATION PROCEDURE		
14. 1 hereby certify to the second se		Electronic Submission #2 For O Committed to AFMSS for	XY USA INC.	sent to the Hol by KURT SIMM	obs	3/2013 ()	<u></u>		
Name(Printed/Typed) DAVID STEWART Signature (Electronic Submission)				Date 06/11/2013					
		THIS SPACE FC	R FEDER			ISE			
	land (20		C	EAC		7-16-13 Date		
		A Approval of this notice does itable title to those rights in the		Title 7	=p)		Date		
nieh would en title the	e applicant to condu	ct operations thereon. U.S.C. Section 1212, make it a tale nents of representations ar		Office CFC erson knowingly an		ake to any department	or agency of the United		
States any false, ficti	tious or fraudulent	tagnents of reprosentations ar	to any matter w	vithin its jurisdiction	n				
	** OPERAT	OR-SUBMITTED ** O	PERATOR	SUBMITTED					
					SEF	> 19 2013	*		

OXY USA Inc. - Proposed LaMunyon A Federal #2 API No. 30-025-10833 195sx @ 363'-Surface 12/1/4" hole @ 313' 10-3/4" csg @ 313' w/ 225sx-TOC-Surf-Circ Perf @ 363' 40sx @ 1100-989' WOC-Tag 715e/f 1151 HOB3S OCD Perf @ 1100' JUL 2 3 2013 RECEIVED Blait 2435 Yotus 2548 40sx @ 2840-2550' WOC-Tag 72 Seven Rivers 2840 Oncen 3357 Pencose 3458 7-7/8" hole @ 3705' CIBP @ 3490' w/ 30sx to 3325' 3 4-37 5-1/2" csg @ 3697' w/ 300sx-TOC-1964'-Calc 63 3633 34 87 - 35 / 5 Perts @ 3540-3589' . TD-3705'

OXY USA Inc. - Current LaMunyon A Federal #2 API No. 30-025-10833

> 12/1/4" hole @ 313' 10-3/4" csg @ 313' w/ 225sx-TOC-Surf-Circ

> > HOBBS OCD

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7-7/8" hole @ 3705' 5-1/2" csg @ 3697' w/ 300sx-TOC-1964'-Calc

Perfs @ 3540-3589'

TD-3705'

Sale and the second

HOBBS OCD

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

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Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. <u>Dry Hole Marker</u>: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. <u>Subsequent Plugging Reporting</u>: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. <u>Show date well was plugged.</u>

8. <u>Trash</u>: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

J. Amos 3/6/11

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



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Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

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equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- It is the responsibility of the operator to monitor these locations and/or access roads until such 6. time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the	HOESS OCD	
Inspection & Enforcement	Permitting	JUL 2 3 2013
Jim Amos Supervisory Environmental Protection Specialist 575-234-5909, 575-361-2648 (Cell)	Cody Layton Natural Resource Specialist 575-234-5959	RECEIVED
Mike Burton Environmental Protection Specialist 575-234-2226	Trishia Bad Bear Natural Resource Specialist 575-393-3612	
Jeffery Robertson Natural Resource Specialist 575-234-2230	Todd Suter Surface Protection Specialist 575-234-5987	
Jennifer Van Curen Environmental Protection Specialist 575-234-5905	Tanner Nygren Natural Resource Specialist 575-234-5975	
Doug Hoag Civil Engineering Technician 575-234-5979	Amanda Lynch Natural Resource Specialist 575-234-5922	
Linda Denniston Environmental Protection Specialist 575-234-5974	Leg1on Brumley Environmental Protection Specialist 575-234-5957	
Realty Compliance		

Realty, Compliance

Randy Pair Environmental Protection Specialist 575-234-6240