

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

5. Lease Serial No.
NMNM104730

6. If Indian, Allottee or Tribe Name

1a. Type of work: DRILL REENTER

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

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

8. Lease Name and Well No.
Sundance 4 Federal # 32-Y SWD

2. Name of Operator OXY USA Inc

9. API Well No.
30-015-38527

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
SWD -Delaware

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 680 FNL - 458 FWL Sec 4 T24S R31E
At proposed prod. zone

11. Sec., T, R, M. or Blk. and Survey or Area
Sec 4 T24S - R31E

14. Distance in miles and direction from nearest town or post office*
20 miles northeast from Loving, NM

12. County or Parish
Eddy

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 860

16. No. of acres in lease
640

17. Spacing Unit dedicated to this well
N/A

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 200

19. Proposed Depth
6300'

20. BLM/BIA Bond No. on file
ES0136

21. Elevations (Show whether DF, KDB, RT, GL., etc.)
3427.5

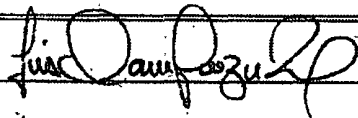
22. Approximate date work will start*
03/05/2011

23. Estimated duration
20

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature 
Title
Drilling Engineer

Name (Printed/Typed)
Luis Tarazona

Date
03/04/2011

Approved by 
Title
FIELD MANAGER

Name (Printed/Typed) /s/ JD Whitlock Jr
Date 3/4/11

Office
BLM Carlsbad Field Office

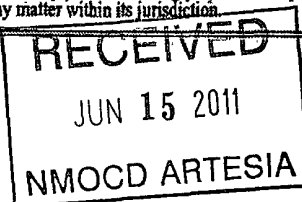
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin



SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

~~OPERATIONS COPY~~

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 <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		SWD	5. Lease Serial No. NMNM104730
2. Name of Operator OXY USA Inc.		16696	6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 50250, Midland, TX 79710-0250	3b. Phone No. (include area code) 432-685-5717		7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NWNW(D) Sec 4 T24S R31E		8. Well Name and No. Sundance 4 #32Y Federal	9. API Well No. 30-015-
		10. Field and Pool, or Exploratory Area Sand Dunes 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	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 _____
	<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 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 recomplate 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.)

OXY USA Inc. Respectfully request that the following attached information be accepted to be approved APD for the Sundance 4 Federal#32Y

1. Sundance 4 Federal #32 was properly plugged (drilling log attached)
2. C-102 Location to be moved 20ft South from Sundance 4 Federal #32
Amended - 680 FNL - 458 FWL NWNW(D)Original 660' FNL - 458FWL NWNW(D)
3. Summary of events, and supportive documentation for operations in Sundance 4 Federal #32

RECEIVED
JUN 15 2011
NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Luis Tarazona	Title Drilling Engineer
	Date 03/04/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 	Title AFM	Date 4/19/11
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 CARLSBAD FIELD OFFICE	

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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OMB NO. 1004-0135
Expires: November 30, 2000

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NMNM104730

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

SWD

8. Well Name and No.
Sundance 4 #32Y
Federal

2. Name of Operator
OXY USA Inc. 16696

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P.O. Box 50250, Midland, TX 79710-0250

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Sand Dunes Delaware, West

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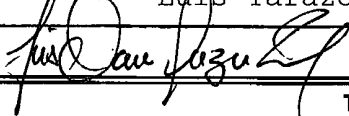
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RECEIVED
APR 25 2011
NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Luis Tarazona

Title
Drilling Engineer



Date 03/04/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

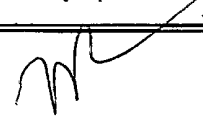
APR 19 2011

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APD DATA – DRILLING PLAN –

OPERATOR NAME / NUMBER: OXY USA Inc

16696

LEASE NAME / NUMBER: Sundance 4 Federal # 32 Y

Federal Lease No:

STATE: NM

COUNTY: Eddy

SURFACE LOCATION: 680' FNL & 458' FWL, Sec 4, T24S, R31E

BOTTOM HOLE LOCATION: 680' FNL & 458' FWL, Sec. 4, T24S, R31E

SL: LAT: 32.2516678 N LONG: 103.7893121 W X: 668182.6 Y: 455701.0 NAD:27

BH: LAT: SAME LONG: SAME W X: SAME Y: SAME NAD:27

C-102 PLAT APPROX GR ELEV: 3395.20'

EST KB ELEV: 3411.70' (16.5' KB)

1. GEOLOGIC NAME OF SURFACE FORMATION
 - a. Permian
2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS

Formation	TV Depth Top	Expected Fluids
Upper Permian Sand	170	Water
Rustler	450	
Base of Salt	4200	None
Lamar	4200	None
Bell Canyon	4250	
Cherry Canyon	5089	
Middle Cherry Canyon	5758	
Lower Cherry Canyon	6327	

A. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

GREATEST PROJECTED TD 6300' MD/ 6300' TVD **OBJECTIVE:** Bell Canyon / Cherry Canyon

3. CASING PROGRAM

Surface Casing: 11.75" casing set at ± 475' MD/ 475' TVD in a 14 3/4" hole filled with 8.40 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-475'	491'	42	H-40	ST&C	1070	1980	307	11.084	4.77	7.46	2.43	2.43

Intermediate Casing: 8.625" casing set at ± 4310' MD / 4310' TVD in a 10 5/8" hole filled with 10 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0' - 4310'	4310'	32	J-55	LT&C	2530	3930	417	7.92	7.80	2.93	1.3	1.94

Production Casing: 5.5" casing set at ± 6300'MD / 6300'TVD in a 7 7/8" hole filled with 8.90 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'- 6300'	6300'	17	J-55	LT&C	4910	5320	247	4.89	4.77	1.75	1.28	1.73

Collapse and burst loads calculated using Stress Check with actual anticipated loads.

4. CEMENT PROGRAM:

Surface Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Surface (TOC: 0' -491')							
Lead: 0' - 491' (150% Excess)	410	491'	Premium Plus Cement, with 2% Calcium Chloride.	9.39	14.8	1.35	2500 psi

Intermediate Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Intermediate TOC: Surface (0' -4310')							
Lead: 0' -3816' (150%Excess)	1000	3816'	Light Premium Plus Cement, with 5% Salt, 5 lb/sk Gilsonite, & 0.125 lb/sk Poly-E-Flake, 1%Halad-344, 2% Calcium Chloride	9.35	12.9	1.88	650 psi
Tail: 3816' -4310' (150%Excess)	200	494'	Premium Plus cement with 1% WellLife 734	6,38	14.8	1.34	1343 psi

Production Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
Production (TOC: 4350 ') 1st Stage							
Lead: 4350' - 6300' (200 %Excess)	640	1950'	Super H Cement with 0.5% Halad-344 (Low Fluid Loss Control), 0.4% CFR-3 (Dispersant), 0.3% Poly-E-Flake (Retarder), 1 lb/sk Salt & 5 lb/sk Gilsonite	7.84	13.2	1.61	1536 psi
DV Tool @ 4350'							
Production (TOC: Surface') 2nd Stage							
Lead: 0' - 3852' (35% Excess)	460	3852'	Light Premium Plus with 3 lb/sk Salt	11.29	12.4	2.01	560 psi
Tail: 4310' - 3852'	100	498	Premium Plus	5.81	14.8	1.33	1750 psi

5. PRESSURE CONTROL EQUIPMENT

Surface: 0 – 491' None.

Intermediate: 0 - 4310' the minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required to drill below the surface casing shoe shall be 3000 (3M) psi . Operator will using a 11" 5M two ram stack w/ 5M annular preventer, & 5M Choke Manifold, but testing as 3M.

- a. The 11" 5000 psi blowout prevention equipment will be installed and operational after setting the 11 3/4" surface casing and the 11 3/4" SOW x 13 5/8" 3K conventional wellhead; the rotating head body will be installed but the rubber will be installed when it becomes operationally necessary.
- b. The BOP and ancillary BOPE will be tested by a third party upon installation to the 11 3/4"H-40 42ppf surface casing. All equipment will be tested to 250/1386 (70% of casing burst) psi for 30 minutes without a test plug or 10 minutes if test plug is implemented. This is to be in compliance with the Onshore Order # 2 which states the BOPE shall be tested to 70 % of the yield of the casing when the BOP and casing are not isolated

Production: 0 – 6300' will be drilled with a 11" 5M two ram stack w/ 5M annular preventer, & 5M Choke Manifold.

- a. The BOP and ancillary BOPE will be tested by a third party upon installation to the 8 5/8" intermediate casing at 4310'. All equipment will be tested to 5000 psi (high) and 250 psi (low) except the annular will be tested to 70% of its rated working pressure (high) and also to 250 psi (low). All test will performed with the implementation of a test type plug,
- b. The pipe rams will be functionally tested during each 24 hour period; the blind rams will be functionally tested on each trip out of the hole. These functional tests will be documented on the Daily Driller's Log. Other accessory equipment (BOPE) will include a safety valve and subs as needed to fit all drill strings, and a 2" kill line and 3 " choke line having a 5000 psi WP rating. Oxy requests that the system be tested at 5,000 psi WP rating..
- c. Oxy also requests a variance to connect the BOP choke outlet to the choke manifold using a co-flex hose made by *Contitech Rubber Industrial KFT*. It is a 3" ID x 35' flexible hose rated to 10,000 psi working pressure. It has been tested to 15,000 psi and is built to API Spec 16C. Once the flex line is installed it will be tied down with safety clamps. Please see attached certifications.
- d. See attached BOP & Choke manifold diagrams.

6. MUD PROGRAM:

Depth	Mud Wt ppg	Vis Sec	Fluid Loss	Type System
0 – 491'	8.4 – 8.8	32 – 38	NC	Fresh Water /Spud Mud
475' – 4310'	9.8 – 10.0	28 – 29	NC	Brine Water
4310' – 6000'	8.4– 8.8	26- 28	NC	Fresh Water

Remarks: Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor unobstructed and readily accessible at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production casing is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached. **If Hydrogen Sulfide is encountered , measured amounts and formations will be reported to the BLM**

8. POTENTIAL HAZARDS:

- A. H2S detection equipment will be in operation after drilling out the surface casing shoe until the production casing has been cemented. Breathing equipment will be on location from drilling out the surface shoe until production casing is cemented. If H2S is encountered the operator will comply with Onshore Order #6.
- B. No abnormal temperatures or pressures are anticipated. **The highest anticipated pressure gradient is 0.55 psi.** All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely.

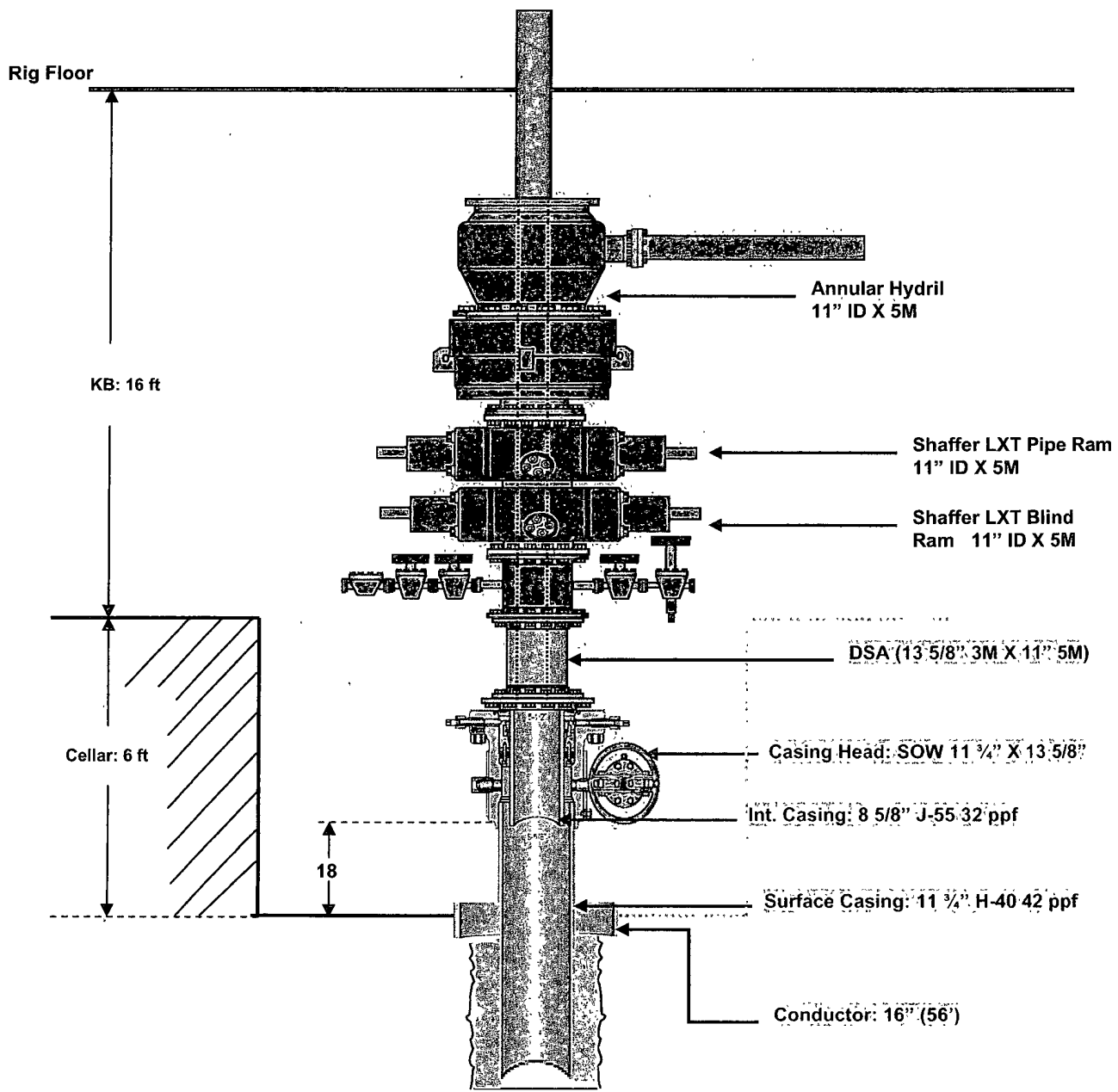
9. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS

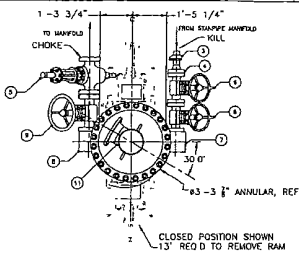
Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as possible after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 35 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

10. COMPANY PERSONNEL:

<u>Name</u>	<u>Title</u>	<u>Office Phone</u>	<u>Mobile Phone</u>
Luis Tarazona	Drilling Engineer		
Frank Hutton	Drilling Engineer Supervisor		
Sergio Abauat	Drilling Superintendent		
Richard Jackson	Drilling Manager		

1. BOP Diagram

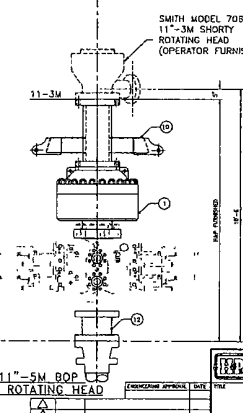
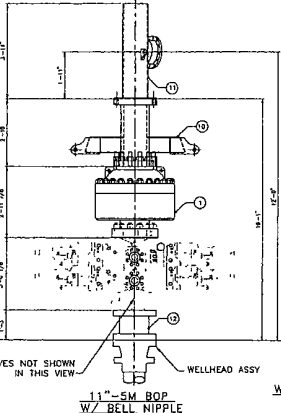
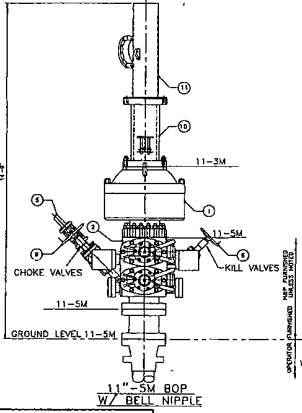




PROPER TORQUE FOR BOLTS				
COMPONENT	FLANGE SIZE & RATING	BOLT SIZE	TORQUE (FT/LBS)	(FT/LBS)
SHOULDER ANNULAR & RAMS	11\"/>			

BILL OF MATERIAL			
ITEM NO.	QUANTITY	DESCRIPTION	PART NUMBER
1	1	11\"/>	

HARDWARE			
ITEM NO.	QUANTITY	DESCRIPTION	PART NUMBER
1	1	11\"/>	



ISSUED FOR FABRICATION
 AUGUST 10, 2009
 DRUMFELMAN
 ENGINEER

HELMERICH & PAYNE
 INTERNATIONAL DRILLING CO.

PROPRIETARY
 THIS DRAWING AND THE DATA AND INFORMATION CONTAINED HEREIN ARE THE PROPERTY OF HELMERICH & PAYNE INTERNATIONAL DRILLING CO. AND ARE TO BE KEPT CONFIDENTIAL AND NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF HELMERICH & PAYNE INTERNATIONAL DRILLING CO.

NOTES
 1. ALL BOP RAMS SHOWN ARE SHAFTER MODEL LXT
 2. 11-5M PSI WP - FLANGED BOTTOM AND STUDDED TOP

DATE	DESCRIPTION	BY	CHKD
08/29/09	ISSUE 1 OF 2 BOP HEAD 1 OF 2	DM	DM
07/29/09	ISSUE 1 OF 2 BOP HEAD 1 OF 2	DM	DM

11-5M BOP EQUIPMENT GENERAL ARRANGEMENT


CERTIFICATE OF CONFORMITY

Supplier : CONTTECH RUBBER INDUSTRIAL KFT.
 Equipment : 8 pcs. Choke and Kill Hose with installed couplings
 Type : 3" x 10,67 m WP: 10000 psi
 Supplier File Number : 412638
 Date of Shipment : April 2008
 Customer : Phoenix Beattie Co.
 Customer P.O. : 002481
 Referenced Standards
 / Codes / Specifications : API Spec 18 C
 Serial No.: 62754,62755,62776,62777,62778,62782

STATEMENT OF CONFORMITY


We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements


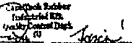
COUNTRY OF ORIGIN HUNGARY/EU

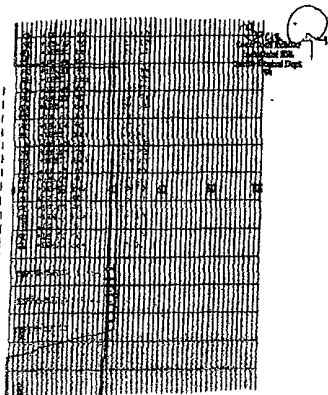
Signed: 
 Position: Q.C. Manager
 Date: 04. April 2008

Phoenix Beattie Material Identification Certificate											
Part No	Description	Material Desc	Material Spec	Qty	W/O No	Batch No	Test Cert No	Dr. No	Dr. No	Lot No	Lot No
1	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
2	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
3	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
4	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
5	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
6	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
7	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
8	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
9	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
10	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
11	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
12	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
13	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
14	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
15	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
16	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
17	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
18	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
19	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							
20	3" x 10.67m WP: 10000 psi	CHOKES & KILL HOSES	API SPEC 18 C	8							

We hereby certify that these goods have been inspected by our Quality Management System, and to the best of our knowledge are found to conform to relevant industry standards within the requirements of the purchase order as issued to Phoenix Beattie Corporation



QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT. N°	748
PURCHASER		Phoenix Beuth Co.		P.O. N°	002491
CONTITECH order N°	412838	HOSE TYPE	3" ID	Chobis and KR Hose	
HOSE SERIAL N°	52777	NOMINAL / ACTUAL LENGTH	10,67 m		
W.P.	65,26 MPa	10000 psi	T.P.	103,4 MPa	15000 psi
		Duralex		80	min.
Pressure test with water at ambient temperature					
See attachment. (1 page)					
† 10 mm = 10 mm. → 10 mm = 25 MPa					
COMPLIANCE					
Type	Serial N°	Class	Code	Serial N°	
3" coupling with 4 1/16" Flange end	917 913	ARI 4130	ARI 4130	T70864 26584	
INFOGRAPH INSTALLED				API Spec 18 C Temperature rate: 3"	
All metal parts are factory					
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PROBABLY TESTED AS ABOVE WITH SATISFACTORY RESULTS.					
Date	Inspector	Quality Control			
04. April 2009		 			



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

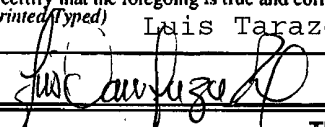
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		SWD	5. Lease Serial No. NMNM104730
2. Name of Operator OXY USA Inc.		16696	6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 50250, Midland, TX 79710-0250	3b. Phone No. (include area code) 432-685-5717		7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NWNW(D) Sec 4 T24S R31E		8. Well Name and No. Sundance 4 #32 Federal	
		9. API Well No. 30-015-38393	
		10. Field and Pool, or Exploratory Area Sand Dunes 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	TYPE OF ACTION			
<input 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 checked="" 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 _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 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.)

See attached supportive documentation

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Luis Tarazona	Title Drilling Engineer
	Date 3/8/2011

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.

Sundance 4 # 32 SWD

03/04/2011

API: 30-015-38393

Request to abandon skid rig and re-drill Sundance 4 # 32 SWD Well

Surface Interval - Summary of Events:

Sundance 4 # 32 SWD well was spudded on 2/24/2011.

Drilling operations commenced and surface hole was finished to 495' on 2/26/2011. Ran 11 3/4" casing and performed cement job with 410 sx of Premium Plus cement (14.8 ppg, 1.35 yield) and had 220 sx (55 bbl) of cement back to surface

Several attempts were made to re-test casing with no success including running cup type tester and packer to isolate possible casing leak. Casing tally indicates first casing collar to be located at 32.2'. Decision was made to pump cement plugs inside surface casing to seal possible leak (approval granted by BLM via phone conference with Mr. Wesley Ingram). Detailed operation events attached in drilling log attached.

On 03/01/2011 two cement plugs were pumped

Plug #1: from 433' (top of cement from primary cement job) to 250' pumping 80 sx (19.2 bbl) of Premium Plus cement (14.8 ppg) with 2% Calcium Chloride

Plug #2: From 250' to 46' with 130 sx (31 bbl) Premium Plus 14.8 ppg

After waiting on cement, attempted to test casing again by closing blind rams with 1500 psi and experienced 300 psi drop. Further test were performed implementing cup type tester at 44', 43', 42', 41' and 40' closing the pipe rams with good results (1500 psi, and only 10 psi drop in 30 min). Cup tester was moved above the first casing collar (32.2') and performed tests at 31', 30', and 29' and the results were similar losing only 10 psi in 30 min with 1500 psi test. Retrieved test plug out, and close blind rams in an attempt to re-test with no success losing 300 psi in 30 min. Blind Ram test was performed 6 times with same results.

On 03/03/2011 Decision was made to pump a third plug while mobilizing a new set of Blind Rams to be changed.

Plug # 3: From 46' to 26' (5.5' below well head) pumping 50 sx (10.5 bbl) Premium Plus cement with 3% Calcium Chloride, had 5.5 bbl to surface.

On 03/04/2011 Replaced Blind Rams and performed pressure test again with no success bleeding 1100 psi in 30 min when applying 1400 psi. Re-pressure several times, and same results were experienced.

Decision was made to set blind flange on wellhead and submit request to abandon Sundance 4 # 32 SWD well due to the events encountered.

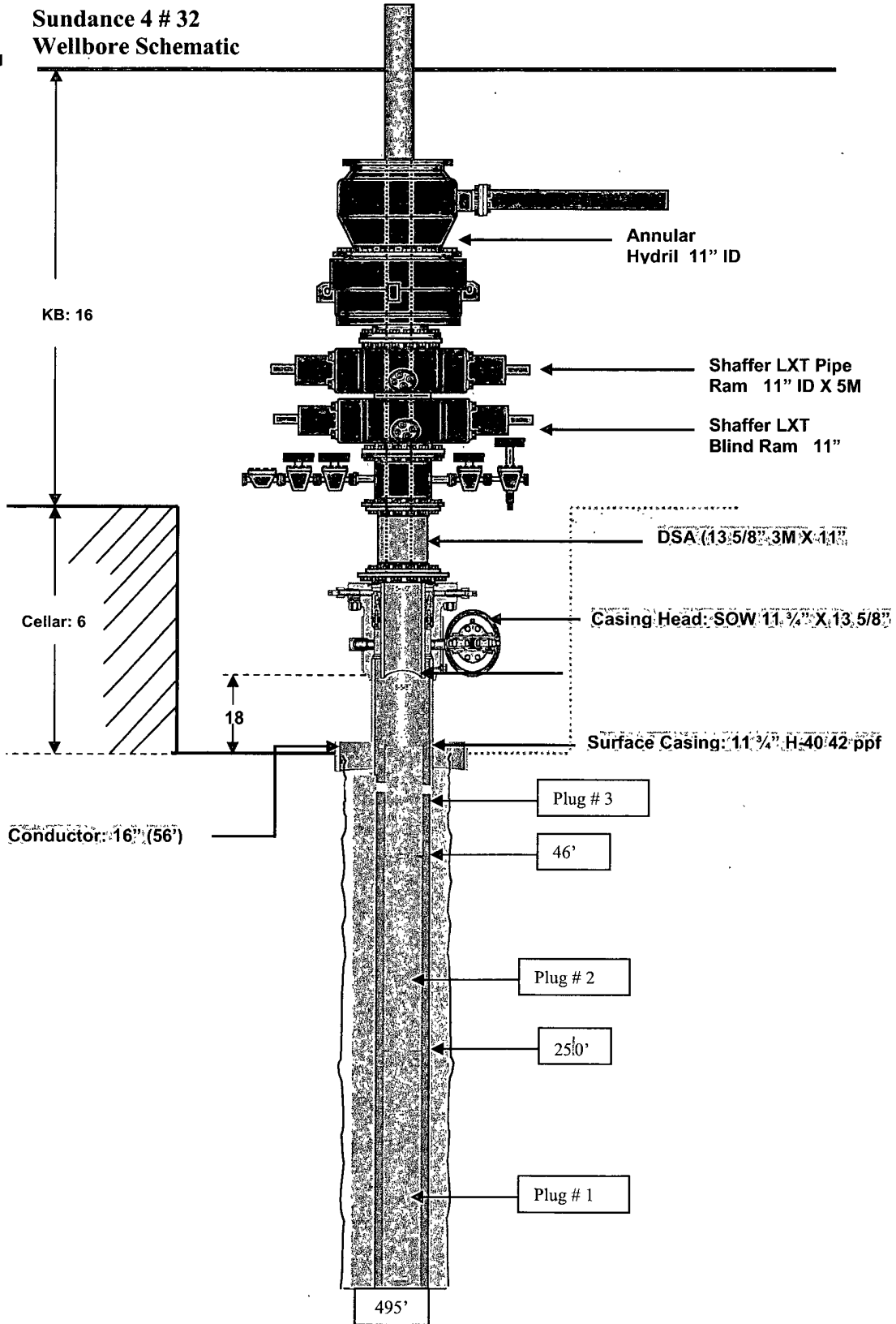
Plan Forward:

Skid H&P 345 rig 20 ft due south and drill new well (Sundance 4 # 32 Y) upon approval from BLM and NMOCD

Attachments: (Drilling log)

Sundance 4 # 32 Wellbore Schematic

Rig



Operation Summary Report

Well: SUNDANCE 04 FEDERAL 032
 Project: SAND DUNE-OPL
 Site: SUNDANCE FEDERAL

Event Name: DEV DRILLING
 Prim Reason: ORIG DRILL VERT
 Start Date: 2/22/2011
 End Date:

Rig Name: H&P 345

#	Date	Time Start-End	Hrs	Op/Details
1	02/22/2011	06:00 - 07:30	1.50	COMPLETED RIG DOWN MISCELLANEOUS, LOWER MAST SAFETY BREAK - JSA FOR LOWERING MAST
		07:30 - 08:00	0.50	SAFETY MEETING WITH DRILL CREW, H&P TRUCKING CREW, DSM'S, H&P AND OXY SAFETY REPS ON RIG MOVE OPS. STAY OUT FROM IN BETWEEN LOADS, 100% TIE OFF WHEN ABOVE 4'
		08:00 - 12:00	4.00	FIRST LOAD OUT. PARTS HOUSE, UNPIN MAST F/ SUB MAST OUT. UNPIN DOG HOUSE F/ SUB. DOG HOUSE OUT. PREPARE SUB FOR TRANSPORT. REVIEWED JSA'S FOR ALL OPS
		12:00 - 12:30	0.50	SAFETY MEETING WITH DRILL CREW, H&P TRUCKING CREW, DSM'S, H&P AND OXY SAFETY REPS. REFOCUSSED ON HAZARDS WHILE MOVING AND KEEPING HYDRATED. STAY OUT FROM IN BETWEEN LOADS
		12:30 - 13:30	1.00	CONTINUE LOAD OUT MISCELLANEOUS, MOVED SUB
		13:30 - 14:00	0.50	SAFETY MEETING WITH DRILL CREW, H&P TRUCKING CREW, DSM'S, H&P AND OXY SAFETY REPS ON WATCHING ON FOR TRUCKS AND STAYING OUT FROM IN BETWEEN LOADS
		14:00 - 18:00	4.00	SPOT SUB, SPOT DOG HOUSE AND PIN T/ SUB. SPOT MAST. PINT/ SUB AND FLOOR. STARTED RIGGING UP MISCELLANEOUS ELECTRICAL. RAISED MAST
		18:00 - 22:00	4.00	RAISE SUB BASE. SCOPE OUT DERRICK. UNDOCK TOP DRIVE. PLUG IN ELECTRICAL WIRING TO MCC. VFD. HOISTING EQUIPMENT. RIG UP MUD PITS. RAISE SHAKER SKID. JSA'S REVIEWED ON ALL OPS. SAFETY BREAK - IMPORTANCE OF FIREWATCH DURING WELDING OPERATIONS
		22:00 - 22:30	0.50	SAFETY MEETING WITH DRILL CREW, H&P MECHANICS, CRANE OPERATOR, DSM, THIRD PARTY WELDERS AND RIG MANAGERS. TOPIC - C/O TOPDRIVE, CONDUCTING OPERATIONS CORRECTLY AND THE IMPORTANCE OF TEAMWORK TO ACHIEVE A COMMON GOAL AND THE SAFETY OF EVERY MEMBER INVOLVED IN JOB TASK.
		22:30 - 00:00	1.50	START STRIPPING TOP DRIVE / READY TOP DRIVE FOR CHANGE OUT SAFETY BREAK - UTILIZING TETHERED TOOLS FOR ALL WORK DONE OVERHEAD. PROPER HAND SIGNALS UPON REMOVAL OF TOPDRIVE
2	02/23/2011	00:00 - 02:00	2.00	CONTINUE STRIPPING TOP DRIVE / READY TOP DRIVE FOR CHANGE OUT SAFETY BREAK - UTILIZING TETHERED TOOLS FOR ALL WORK DONE OVERHEAD. PROPER HAND SIGNALS UPON REMOVAL OF TOPDRIVE
		02:00 - 02:30	0.50	SAFETY BREAK - MEETING WITH THIRD PARTY BRAGG CRANE COMPANY, H&P MECHANICS, DRILL CREW AND RIG MANAGER
		02:30 - 06:00	3.50	CONTINUE DISASSEMBLY OF TOP DRIVE - REMOVE TOP DRIVE TORQUE RESTRAINTS, HOIST NEW TOP DRIVE TO FLOOR, WELDERS AND INSPECTORS OBSERVING TORQUE RESTRAINTS FOR DEFECTS.
		06:00 - 10:00	4.00	WORKING ON TOP DRIVE
		10:00 - 14:00	4.00	WORKING ON TOP DRIVE
		14:00 - 18:00	4.00	WORKING ON TOP DRIVE
		18:00 - 22:00	4.00	WORKING ON TOP DRIVE
		22:00 - 00:00	2.00	WORKING ON TOP DRIVE
3	02/24/2011	00:00 - 01:30	1.50	FINIOSH REPAIR ON TOP DRIVE. FUNCTION TEST SAME OK
		01:30 - 04:00	2.50	RIG UP SAFETY BREAK - KEEPING ALL WALKWAYS CLEAR OF TRIP HAZARDS
		04:00 - 06:00	2.00	RIG UP PITS FINALLY CLEANED OUT AT 0300
		06:00 - 10:00	4.00	CUT AND INSTALL CUTTING SLIDE STRAP AND CALIPHER BHA. INSTALL MATS AND CUTTING BINS. DRESS RIG FLOOR. SAFETY BREAK: OVER HEAD LOADS
		10:00 - 14:00	4.00	RIG UP CONDUCTOR AND FLOWLINE. CHANGE SNAIL PUMP. TROUBLE SHOOT AUTO CRANE WITH HP ELECTRICIAN SAFETY BREAK: ELECTICAL LINES
		14:00 - 18:00	4.00	FINISH RTIG UP CONDUCTOR AND FLOWLINE. REPAIR ITEMS ON PIPE WRANGLER. INSTALL NEW MIXING PUMP. CENTRIFUGAL SAFETY BREAK: PLANNING AHEAD
		18:00 - 19:00	1.00	CONTINUE CUT AND SLIP DRILL LINE AND CHANGE OUT #1 CHARGE PUMP

Operation Summary Report

Well: SUNDANCE 04 FEDERAL 032	Event Name: DEV DRILLING
Project: SAND DUNE-OPL	Prim Reason: ORIG DRILL VERT
Site: SUNDANCE FEDERAL	Start Date: 2/22/2011
	End Date: Rig Name: H&P 345

#	Date	Time Start-End	Hrs	Op:Details
		19:00 - 23:30	4.50	LEVEL MAST AND FINISH CHANGING OUT #1 CHARGING PUMP
		23:30 - 00:00	0.50	SAFETY BREAK--DURING PICK UP OF BHA. WATCH PINCH POINTS. CLEAR RIG FLOOR, FILL ACTIVE PITS AND Q-MAX WITH FRESH WATER. PICK UP BIT #1 - 14.750" DSR519S / SERIAL # 226941 / PART# 10041604 JETS: 5 X 12 / TFA = 552 PERFORM RIG INSPECTION WITH DSM AND RIG MANAGER
4	02/25/2011	00:00 - 02:00	2.00	PICK UP NEAR BIT STABILIZER AND BIT AND MAKE UP WITH SCORPION. PICK UP SPUD BHA AS FOLLOWS. 14.750" DSR 519S (5x12, SER 226941) BIT (6 5/8" API REG CONNECTION) 1 X NEAR BIT STABILIZER (1/8 UG), 6-5/8" REG BOX BOX (FLOAT) 1 x 8" SHOCK SUB (6 5/8" API REG PIN X NC-56 BOX) 1 x IBS SPIRAL BLADE (1/8" UG), NC 56 1 x 8" SPIRAL DC, NC 56 1 x IBS SPIRAL BLADE (1/8" UG), NC 56 4 x 8" SPIRAL DC, NC 56 1 x XOVER -56 PIN x NC-46 BOX 6 x 6 1/2" SPIRAL DC, NC 46 RIG ACCEPTED AT 00:00
		02:00 - 04:00	2.00	PICK UP BHA TO 56' SAFETY BREAK ON GOOD COMMUNICATION
		04:00 - 04:30	0.50	TAGGED AT 56'. CIRCULATE THROUGH LINES AND TEST TO 2500 PSI FOR 5 MINUTES SAFETY BREAK-STAYING ON FOCUS
		04:30 - 06:00	1.50	SPUD IN & DRILL FROM 56' TO 129' = 73' - AVG ROP 48.6 FT/HR HOOK LOAD: 16.9K MIN / 17.9K MAX - WT ON BIT: 18-30K PUMP PRESSURE 460-500 PSI, PUMP RATE: 400 GPM, TOP DRIVE TORQUE: 600- 900 FT# NO DRAG OR UNUSUAL TORQUE DETECTED. NO GAINS OR LOSSES WITH FULL RETURNS
		06:00 - 11:30	5.50	DRILL FROM 129' TO 495' = 366' - AVG ROP 66.5 FT/HR HOOK LOAD: 16.9K MIN / 17.9K MAX - WT ON BIT: 18-30K PUMP PRESSURE 650-1225 PSI, PUMP RATE: 450- 800 GPM, TOP DRIVE TORQUE: 5k-10k FT# PUMP HI VIS SWEEPS AS NEEDED DRILLED WITH ONE PUMP FROM 9:30 AM TO 11 30 AM. NO GAINS OR LOSSES WITH FULL RETURNS NOTE: 11:00 INFORMED BLM AGENT LRGION OF INTENT TO RUN 11 3/4" SURFACE CASING AND CEMENT SAME
		11:30 - 12:00	0.50	PUMP 2 25 BBL HI-VIS SWEEPS AND CIRCULATED HOLE CLEAN SAFETY BREAK FORWARD PLAN WITH DSM, RM RIG CREW AND SCIENTIFIC GYRO HAND OVER HEAD LOADS AND PINCH POINTS
		12:00 - 16:00	4.00	DROP SCIENTIFIC GYRO. ALLOW TO SET. TOOH TAKING SURVEYS EVERY 90' NO EXCESS DRAG TOOH.
		16:00 - 16:30	0.50	CLEAN RIG FLOOR
		16:30 - 18:00	1.50	RIG UP CASING CREW
		18:00 - 22:30	4.50	CASING CREW ELEVATORS WERE INOPERABLE. DOOR WOULD NOT OPEN. WAIT ON ELEVATORS. SAFETY BREAK WORKING SAFELY WITH THIRD PARTY HANDS.
		22:30 - 23:30	1.00	RUN IN HOLE WITH 11-3/4" H-40 42# STC CASING AS FOLLOWS. 1 TEXAS PATTERN GUIDE SHOE 1 SHOE JOINT, 11.75" 42# H40 STC CSG THREAD LOCKED 1 FLOAT COLLAR WEATHERFORD, THREAD LOCKED 11 JTS 11.75" 42# H-40 STC CSG PUMP THROUGH FLOAT COLLAR. OK.
		23:30 - 00:00	0.50	WORK ON B&L HYDRAULIC UNIT AT 131' OF CASING RUN.

Operation Summary Report

Well: SUNDANCE 04 FEDERAL 032
 Project: SAND DUNE-OP/L
 Site: SUNDANCE FEDERAL

Event Name: DEV DRILLING
 Prim Reason: ORIG DRILL VERT
 Start Date: 2/22/2011
 End Date:

Rig Name H&P 345

#	Date	Time Start-End	Hrs	Op/Details
5	02/26/2011	00:00 - 04:00	4.00	RUN IN HOLE WITH 11-3/4" H-40 42# STC CASING AS FOLLOWS 1 TEXAS PATTERN GUIDE SHOE 1 SHOE JOINT, 11.75" 42# H40 STC CSG THREAD LOCKED 1 FLOAT COLLAR WEATHERFORD, THREAD LOCKED 11 JTS 11.75" 42# H-40 STC CSG LAY OUT JOINT #8 DAMAGED THREADS. PICK UP JOINT #17
		04:00 - 04:30	0.50	BREAK CIRCULATION AND WASH DOWN LAST 10' DUE TO FILL. RIG DOWN B&L CASING CREW.
		04:30 - 05:30	1.00	CIRCULATE 2 BOTTOMS UP. HELD SAFETY MEETING WITH HALLIBURTON.
		05:30 - 06:00	0.50	RIG UP HES HEAD AND CHICKSANS
		06:00 - 07:00	1.00	SAFETY MEETING WITH RIG CREW, DSM AND HES. CEMENT PROCEDURE AND HI PRESSURE LINES TEST HES LINES TO 250 LOW AND 2500 HIGH. PUMP CEMENT JOB PER HES PUMP 10' BBL FRESH WATER WITH RED DYE. 20 BBL'S FRESH WATER WITH WG-19 FOLLOWED BY 98.5 BBL'S (410 SXS) PREMIUM PLUS W/ 2% CC-WT. 14' 8" PPG YIELD. 1.35' DROPPED PLUG. CHASED W/ 55 BBL'S BRINE WATER. BUMPED PLUG W/ 380 PSI @ 3' BPM. HELD 10 MINS. RELEASED PRESSURE (HAD 1/4 BBL RETURNS. FLOATS HELD. HAD 220 SXS (53 BBL'S) CEMENT RETURNS. (NOTE: TEST WAS WITNESSED BY BLM REP. LEGION)
		07:00 - 07:30	0.50	WASH OUT CONDUCTOR, SHAKERS FLOWLINE AND SAND TRAP WITH FRESH WATER
		07:30 - 08:30	1.00	RIG DOWN HES CEMENT HEAD AND CHICKSANS
		08:30 - 18:00	9.50	WAIT ON CEMENT FOR 12 HRS. REMOVE TURN BUCKLES, FLOWLINE AND RAISE CONDUCTOR. STACK BLIND RAMS AND PIPE RAMS. STRING OUT HYDRAULIC LINES. CLEAN SUCTION PIT. R/U DOUBLE H FLARE LINES AND INDIAN FIRE AND SAFETY. RECEIVED DIRECTIONAL TOOLS SAFETY BREAK: H2S SAFETY, MONITORS, MASKING UP AND MUSTER AREAS
		18:00 - 20:00	2.00	CONTINUED TO WOC HELD SAFETY MEETING WITH MONAHANS NIPPLE UP, FMC, MANS WEKING, CREW AND DSM.
		20:00 - 21:00	1.00	CUT OFF CASING. LAY DOWN CASING AND CONDUCTOR.
		21:00 - 22:00	1.00	MAKE FINAL CUT. INSTALL FMC 11.75 BY 13 5/8" 3K C-22 CASING HEAD SAFETY BREAK-WORKING SAFELY WITH THIRD PARTY HANDS
		22:00 - 00:00	2.00	INSTALL WELLHEAD AND WELD SAME.
6	02/27/2011	00:00 - 00:30	0.50	TEST WELLHEAD 750 PSI FOR 15 MIN. TEST OK.
		00:30 - 08:00	7.50	NIPPLE UP. STACK BOP AND TORQUE RIG UP FLOWLINE, TURNBUCKELS, KILL LINE AND CONTROL LINES. SAFETY BREAK-ON GOOD COMMUNICATION AND REVIEWED JSA'S
		08:00 - 08:30	0.50	PJSM WITH HP, OXY AND MONAHANS TESTER
		08:30 - 15:30	7.00	RIG UP AND TEST BOPS 250 LOW, 1386 HIGH AGAINST CASING. HOLDING EACH TEST 30 MINUTES PER BLM REQUIREMENTS #1, #6, #5, #2, #7, #37, MCV & 4" CLV. TEST FAILED. TEST #2 HYDAULIC CHOKE, #7, #2, #5, 4" CLV. TEST GOOD. TEST #3 BLIND RAMS #1, #1, #2, #3 VALVES, 2" OKLV. TEST GOOD. TEST #4 PIPE RAMS, HCR, 2" OKLV. TEST GOOD. TEST #4 PIPE RAMS, HCR, 2" OKLV. TEST FAILED.
		15:30 - 18:00	2.50	PUMPED THROUGH KILL WITH RIG PUMPS TO ATTEMPT TO GET HIGH PSI. TEST ON PIPE RAMS (ATTEMPT FAILED). CLOSED ANNULAR IN ATTEMPT TO GET HIGH TEST CHECKED FOR SURFACE LEAKS (NO LEAKS). PICKED UP TEST PLUG AND PUP JOINT.
		18:00 - 21:30	3.50	TEST #5 TIW VALVE 250 LOW 1386 HIGH. TEST #6 DART VALVE 250 LOW, 1386 HIGH. TEST #7 4" MANUAL VALVE #6 ON CHOKE MANIFOLD. TEST GOOD. SAFETY BREAK-DISCUSS WORKING WITH ELECTRICIAN DURING HIGH WINDS ON ELECTRICAL WORK.
		21:30 - 23:00	1.50	FINISH REPAIR DRAG CHAIN (WAS BENT WITH HIGH WIND).
		23:00 - 00:00	1.00	CLOSE BLIND RAMS AND TEST CASING WITH MONAHANS TESTER. TEST FAILED.
7	02/28/2011	00:00 - 04:30	4.50	TEST #7 4" VALVES AND LINES TO MUD PUMP, TEST #8 MANUAL VALVE ON TOP DRIVE. LOW 250, HIGH 3500 SAFETY BREAK-GOOD COMMUNICATION ON BOP TESTING.
		04:30 - 06:00	1.50	MAKE UP CUP PACKER. ATTEMPTED TO PUSH THRU ANNULAR WITH NO SUCCESS. LAY DOWN MONAHANS CUP PACKER.
		06:00 - 09:30	3.50	RIG UP TO RE-TEST PIPE RAMS. 250 LOW AND 1386 HIGH. TEST FAILED. PUMP UP TO 1100 PSI BLEED DOWN TO 250 PSI AND HELD 250 PSI FOR 30 MINS. DSM VERIFIED NO SURFACE LEAKS

Operation Summary Report

Well: SUNDANCE 04 FEDERAL 032

Event Name: DEV DRILLING

Project: SAND DUNE-OPL

Prim. Reason: ORIG DRILL VERT

Site: SUNDANCE FEDERAL

Start Date: 2/22/2011

End Date:

Rig Name: H&P 345

#	Date	Time Start:End	Hrs	Op/Details
		09:30 - 12:00	2.50	WAIT ON WATSON PACKER AND SERVICE HAND. (CHANGED OUT BLIND RAM BLOCK SEAL- P.JSA) (INCLUDED NOV MECHANICS; H&P CREW AND DSM REP.)
		12:00 - 12:30	0.50	SAFETY MEETING WITH CREW, RM, DSM AND WATSON PACKER HAND ON RUNNING TEST TOOL
		12:30 - 18:00	5.50	LAY DOWN MONAHANS TEST EQUIPMENT. PICK UP 2 JTS AND PACKER (ATTEMPTED TO TEST) CASING AT 90'. TEST FAILED. VERIFIED NO LEAKS AT SURFACE. POOH CHECK PACKER FOR DAMAGE. NO DAMAGE. RAN IN HOLE WITH PACKER TO 9' BELOW WELL HEAD. PRESSURED UP ANNULUS TO 400 PSI. HELD TEST. ATTEMPTED TO TEST ANNULUS BELOW TOOL. PRESSURED UP TO 150 PSI PUMPING IN AT 1 BBL PER MINUTE. TOOH AND LAID DOWN WATSON PACKER.
		18:00 - 18:30	0.50	PICKED UP MONAHANS TEST CUP.
		18:30 - 22:30	4.00	TEST #9 ANNULAR LOW 250 HIGH 1386. TEST #10 PIPE RAMS 250 LOW 1386 HIGH. HELD EACH TEST FOR 30 MINUTES
		22:30 - 23:00	0.50	RIG DOWN MONAHANS TESTER
		23:00 - 00:00	1.00	RIG UP PACKER AND TIH TO 275'
8	03/01/2011	00:00 - 01:30	1.50	FINISH TIH WITH PACKER TO 275'. SET PACKER AT 200'. SHUT ANNULUS AND PUMPED 100 STROKES- 5.6 BBLs THROUGH DRILL PIPE. NO BUILDUP OF PRESSURE. BACKSIDE HELD 250 PSI.
		01:30 - 02:00	0.50	TOH FROM 200' WITH PACKER. LAY DOWN PACKER
		02:00 - 05:00	3.00	PICK UP BIT SUB, CROSSOVER, AND BIT AND MAKE UP WITH SCORPION. TRIP IN HOLE TO 369'.
		05:00 - 06:00	1.00	RE-INSTALL FLOWLINE. CLEAR RIG FLOOR.
		06:00 - 08:30	2.50	WAIT ON HES. ATTEMPT TO LEVEL DERRICK (INFORMED BOB BLM REP. OF INTENT TO CEMENT AND REPAIR LEAK IN SURFACE CASING)
		08:30 - 09:30	1.00	TOH FROM 410' TO BIT. BREAK 10 5/8 NOV REED BIT WITH SCORPION. AND LAY DOWN
		09:30 - 10:00	0.50	RIG SERVICE
		10:00 - 12:30	2.50	WAIT ON HES CEMENTERS. ATTEMPT TO LEVEL DERRICK SAFETY BREAK: FOCUS
		12:30 - 13:30	1.00	TRIP IN HOLE OPENED ENDED TO TOP OF CEMENT AT 433'. INSTALLED TIW (OPEN) AND INSIDE GRAY IN STRING. 4 JTS BELOW SURFACE SAFETY BREAK: FORWARD PLAN. HAVING JOB READY FOR EACH JOB
		13:30 - 14:00	0.50	PUMP DRILL STRING AND ANNULUS CAP. OF FRESH WATER TO DISPLACE BRINE IN HOLE. HAD CONTAMINATED CEMENT RETURNS FOR APP. 10 BBLs DUMP SAME
		14:00 - 15:00	1.00	WAIT ON HES PUMP TRUCK. CEMENT ON LOCATION AT 1100 HRS
		15:00 - 15:30	0.50	PJSM WITH OXY CO REP.
		15:30 - 16:30	1.00	RIG UP HES CEMENTERS TO STAND PIPE TO CEMENT THRU TOP DRIVE. TEST LINES 250 LOW AND 2500 HIGH
		16:30 - 18:00	1.50	PUMP 10 BBL 20 PPB GEL SPACER WITH RIG PUMP. FOLLOWED BY 80 SXS (19.2 BBL) PREMIUM CEMENT WT 14.8 PPG YIELD 1.35. CHASE WITH 3 BBLs GEL WATER. TOH FROM 433' TO 250'. PUMP BOTTOMS UP. NO CEMENT RETURNS. LINE BACK UP ON HES AND PUMP 130 SXS (31 BBLs) PREMIUM PLUS W/ 2% CALC CHLORIDE. TOOH TO 30'. CIRC OUT HAD +/- 1 BBL CONTAMINATED WATER AT SURFACE. FLUSH THRU ALL LINES.
		18:00 - 22:00	4.00	WAIT ON CEMENT. REVIEW JSA'S. LEVEL DERRICK AND CHANGE OUT GUIDES ON TOPDRIVE.
		22:00 - 00:00	2.00	WAIT ON CEMENT. CHANGE OUT GUIDES ON TOP DRIVE. SAFETY BREAK-DISCUSSED PINCH POINTS AND SAFETY DURING LEVELING OF DERRICK.
9	03/02/2011	00:00 - 02:30	2.50	WAIT ON CEMENT. FINISH LEVELING DERRICK. CHANGING OUT GUIDES ON TOP DRIVE.
		02:30 - 04:30	2.00	TEST CASING AGAINST BLIND RAMS. 250 LOW. PRESSURE DROPPING OFF 50# IN 10 SECONDS. PRESSURED TO 1386 PSI. 300# IN 10 SECONDS. TAKE OFF FLOWLINE AND KILL LINE. PRESSURE UP TO 1386 PSI. NO LEAKAGE. LINED UP RIG PUMP THROUGH KILL LINE. SAME.
		04:30 - 05:00	0.50	REINSTALL FLOWLINE.
		05:00 - 06:00	1.00	MAKE UP 10.625 BIT WITH CROSSOVER TO TAG IN TO CEMENT.
		06:00 - 07:00	1.00	TRIP IN HOLE AND TAG CEMENT AT 45' WITH 3K DOWN. CIRCULATED AT 2.8 BBLs PER MIN.
		07:00 - 07:30	0.50	TOOH AND BREAK BIT OFF WITH SCORPION.
		07:30 - 08:00	0.50	SAFETY MEETING WITH HP, RM, MONAHANS TESTER AND OXY CO REP
		08:00 - 13:30	5.50	P/U MONAHANS TEST CUP. TIH TO TOP OF CEMENT AND ATTEMPT TO TEST ANNULAR. LOST 300 PSI IN 30 MINS. TOOH WITH TEST CUP. CLOSE BLINDS. PRESSURE UP TO 1386 PSI. LOST PRESS. TROUBLE SHOT FOR ANY LEAKS ON SURFACE. COULD NOT DETECT ANY. CHECKED CHOKE MANIFOLD AND TEST TRUCK HAD GOOD TESTS WITH EACH. TRIP IN HOLE TO 25' WITH TEST CUP. RE-TESTED PIPE RAMS. LOSS 200 PSI IN 30 MINS. SAFETY BREAK: HIGH PRESS LINES
		13:30 - 14:30	1.00	TRIP IN HOLE WITH TEST CUP TO 45'. CLOSED PIPE RAMS AND PRESSURED UP TO 1386 PSI. LOSS 475 PSI IN 30 MINS.

Operation Summary Report

Well: SUNDANCE 04 FEDERAL 032

Event Name: DEV DRILLING

Project: SAND DUNE-OP

Prim. Reason: ORIG DRILL VERT

Site: SUNDANCE FEDERAL

Start Date: 2/22/2011

End Date:

Rig Name: H&P 345

#	Date	Time Start-End	Hrs	Op/Details
		14:30 - 15:00	0.50	DISCUSSED OPTIONS WITH OFFICE
		15:00 - 18:00	3.00	CONT. TEST CASING MOVING UP HOLE 1' AT TIME 44' LOST 400 PSI IN 30 MINS. 43' 1380# LOST 20 PSI (in 30 min.)
		18:00 - 00:00	6.00	30 MINUTE TESTS EACH AS FOLLOWS: 42' 1410 PSI LOST 20 PSI. 41' 1400 PSI LOST 10 PSI. 40' 1380 PSI LOST 10 PSI. MOVE UP 9' SET PACKER AT 31' OR 1' 25" ABOVE COLLAR. 1400 PSI LOST 20 PSI. 30' 1410 PSI LOST 0 PSI. 29' 1400 PSI LOST 10 LBS. 44' 1450 HELD. PULL PACKER AND PRESSURE UP AGAINST BLINDS. 1500 PSI LOST 700 PSI IN 10 MINUTES. 200 PSI IN SECOND 10 MINUTES AND 0 PSI IN LAST 10 MINUTES.
10	03/03/2011	00:00 - 06:00	6.00	PREP TO CHANGE RAMS. NIPPLE DOWN 4' VALVES ON HCR SIDE, CHOKE LINE AND 2" VALVES ON KILLLINE SIDE. PULL BLINDS OUT AND CHANGE OUT RUBBERS AND SEALS. NIPPLE BACK UP. FLANGE LEAKING ON BOP, TIGHTEN FLANGE, TEST BLIND RAMS. SAFETY BREAK- DURING NIPPLE DOWN AND UP WATCH PINCH POINTS.
		06:00 - 10:00	4.00	TESTED BELOW BLIND RAMS TEST 1 - 5 MIN - START 1390 PSI - LOST 350 PSI TEST 2 - 5 MIN - START 1425 PSI - LOST 250 PSI TEST 3 - 5 MIN - START 1350 PSI - LOST 175 PSI TEST 4 - 5 MIN - START 1390 PSI - LOST 125 PSI TEST 5 - 5 MIN - START 1400 PSI - LOST 125 PSI TEST 6 - 30 MIN - START 1390 PSI - 10 MIN - LOST 265 PSI - 20 MIN - WILL HOLD FOR 30 MINUTES - LOST 415 PSI 30 MIN
		10:00 - 11:30	1.50	HOLD SAFETY MEETING WITH HES SERVICES, RIG UP TO PUMP CEMENT THRU 2 7/8" TUBING.
		11:30 - 12:30	1.00	PUMP 50 SKS 10.5 BBLs. PREMIUN CLASS H CEMENT (WITH 3% CALCIM CHLORIDE PLUG IN 1 1/4" SURFACE PIPE) GOT 5.5 BBLs TO SURFACE.
		12:30 - 18:00	5.50	WOC, BOP TO BE DELIVERED FROM OK. REMOVE FLOWLINE, CHOKE LINES, KILL LINES, HCR VALVE AND PREPARE TO CHANGE OUT BOP. 4:00 O'CLOCK SAFETY BREAK-CHEMICALS, USE AND STORAGE.
		18:00 - 21:00	3.00	WOC, HOLD SAFETY MEETING WITH MONAHANS NIPPLE UP CREW, BREAK DOWN BOP TO CHANGE OUT BLIND RAM SECTION NU BLIND RAM SECTION AND FIN NU COMPLETE BOP.
		21:00 - 00:00	3.00	SWITCH OUT BLIND RAMS
11	03/04/2011	00:00 - 00:30	0.50	INSTALL 1" HYDRULIC LINES AND MU VALVES. SAFETY BRAKE ON GOOD COMMUNICATION
		00:30 - 01:00	0.50	RU BOP TESTER. SAFETY MEETING.
		01:00 - 03:00	2.00	TEST BLIND RAMS. PRESSURE TO 1400 PSI. BLED TO 1100 PSI IN 5 MINUTES. REPRESSURE SEVERAL TIMES. SAME RESULTS. CHECK ALL VALVES AND SURFACE FITTINGS FOR LEAKS. NO LEAKS. REPRESSURE TO 1400 PSI. SAME RESULT.
		03:00 - 03:30	0.50	GIH W/ JT PIPE AND TAG CMT 26' BELOW ROTARY TABLE. ATTEMPT TO SET TEST PLUG TO ISOLATE BLIND RAMS FROM CSG. COULD NOT GET TO UNSCREW. POH.
		03:30 - 06:00	2.50	RIH W/ JT DP. CLOSE PIPE RAMS. PRESSURE TO 600 PSI. LEAK OFF TO 525 PSI IN 5 MINUTES. REPRESSURE TO 600 PSI. LEAK OFF TO 525. TEST PIPE RAMS AGAINST CSG TO 250 PSI LOW. POH. MU CUP RUBBER PKR AND GIH. ATTEMPT TO TEST

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		SWD	5. Lease Serial No. NMNM104730
2. Name of Operator OXY USA Inc.		16696	6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 50250, Midland, TX 79710-0250	3b. Phone No. (include area code) 432-685-5717		7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 680 FNL 458 FWL NWNW(D) Sec 4 T24S R31E		8. Well Name and No. Sundance 4 Federal #32Y	
		9. API Well No. 30-015-	
		10. Field and Pool, or Exploratory Area Sand Dunes Delaware, West	
		11. County or Parish, State Eddy NM	

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

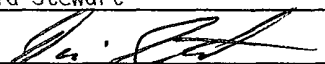
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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>Spud, set</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>casing & cement</u>
	<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 recompleate 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 recompleation 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.)

Spud 14-3/4" hole 3/5/11, drill to 509', RIH & set 11-3/4" 42# H40 STC csg @ 509', cmt w/ 410sx (112bb1) PPC w/ additives, circ 165sx (45bb1) cmt to surface. WOC, Test BOP's @ 250# low, 1386# high.

Drill 10-5/8" hole to 4295', RIH w/ 8-5/8 csg 32# J-55 LTC & set @ 4295', cmt w/ 1000sx (335bb1) PPC followed by 200sx (48bb1) PPC all w/ additives, cmt didn't circ to surf, WOC. Contact BLM and rec approval for bradenhead sqz, RIH w/ temp svy, TOC @ 460', sqz w/ 200sx (48bb1), circ cmt to surf, see attached for detail. Test BOP's @ 250# low, 5000# high..

Drill 7-7/8" hole to 6330'V. RIH w/ 5-1/2" 17# J55 LTC csg @ 6316' w/ DVT @ 4107'. Cmt 1st stage w/ 640sx (184bb1) PPC, circ 266sx (77bb1) cmt to surf. Cmt 2nd stage w/ 460sx (162bb1) PPC followed by 100sx (24bb1) PPC all w/ additives, circ 145sx (51bb1) cmt to surf. Rel Rig 3/23/11.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David Stewart	Title Sr. Regulatory Analyst
	Date 4/11/11

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.

Sundance 4#32-Y
Cement Operations in the Intermediate Interval
Summary of Operations for Subsequent Report

On 3/18/2011 cementing operations took place. It was pumped 1000 sx of Lead cement and 200 sx of Tail as per APD. Full returns were observed but no cement was circulated to surface. BLM was contacted @ 10:56.

Plan forward was to run temperature survey to determine TOC (showing at 460' with surface casing shoe placed at 495') and evaluate options.

On 3/19/2011 Pressure test was conducted to establish injection rate and successful results were obtained (4.2 BPM with 400 psi). Approval was obtained by BLM to apply braden-head squeeze job and cement gap. Squeeze was performed pumping 200 sx of Cement premium plus (14.8 ppg). Final pressure indicated 160 psi and held for 15 min. as showing below:

Intermediate Section Braden-head Squeeze Procedure

Upon establishing injection rate (4.2 BPM with 400 psi)

- Pressure up inside intermediate casing with 500 psi and hold it through the Braden-head squeeze job to balance out and equalize the hydrostatic columns (Intermediate casing is filled with 8.4 ppg FW, and Annular between surface casing and intermediate casing will be filled with 14.8 ppg cement)
- Perform safety meeting and Rig Up Halliburton to connect casing valve to perform squeeze
- Pump 200 sx of Halliburton Premium Plus (14.8 ppg) with 2% Calcium Chloride at flow rate established with injection rate (4 BPM) monitoring pumping pressure not to exceed 1500 psi (80% of Surface casing burst).

Surface Casing 11 3/4" H-40 42# Burst: 1980 psi
Intermediate Casing 8 5/8" J-55 32# Collapse: 2530 psi

- Report final pressure and total sacks pumped at the end of the job.
- Rig down Halliburton and flush lines
- Pick Up 7 7/8" BHA and TIH
- Wait 8 hrs on squeeze cement, and perform intermediate casing test as per procedure (2050 psi) prior to drill out
- Continue Production section as per plan

Cement Specs:

200 sks of Premium Plus @ 14.8 ppg
2% CaCl₂
Yield = 1.35ft³/sk
Water : 6.5 gal/sk

Reference Test Data

TT: 2:50 min

Compressive Strength

500 psi = 8:20 min

12 hr = 670 psi

24 hr = 1112 psi

48 hr = 1490 psi

Results were shared with BLM office and operations continued as scheduled.