Form 3160-5 (March 2012)

### UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD Artesia

FORM APPROVED OMB No. 1004-0137

Expires: October 31, 2014 5. Lease Serial No

6 If Indian, Allottee or Tribe Name

NM9818

#### SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

abandoned wen. Ose Form 5100	(Al D) for such proposals.		
SUBMIT IN TRIPLICATE – Other instructions on page 2.		7 If Unit of CA/Agreement. Name and/or No.	
Type of Well			
Oil Well Gas Well Other		8 Well Name and No. GOVERNMENT S COM #9	
2. Name of Operator DXY USA WTP LP		9. API Well No. 30-015-28996	
Ba Address	3b Phone No. (include area code)	10 Field and Pool or Exploratory Area WINCHESTER MORROW GAS	
P O BOX 4294, Houston, TX 77210	713-513-6640		
4. Location of Well (Footage Sec., T. R., M., or Survey Description)		11. County or Parish, State	
60' FNL & 660' FEL, NENE (A) SEC 3 T20S R28E		EDDY COUNTY, NM	

TYPE OF SUBMISSION	TYPE OF ACTION			
Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat	Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity
Subsequent Report	Casing Repair	New Construction Plug and Abandon	Recomplete    Femporarily Abandon	Other
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal	
12 Danielle Deservat of Completed	Operations Clouds state all gosts	ant dataile including actimat	ad starting data of any managed ad worl	k and necessaries direction the caff. 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)
- MIRU PU.
- RIH bit to 6236'. Mill out cement to 6600' Circulate Test casing to 500 psi POH
- 3. Perforate 1st Bone Spring Sand in the interval 6372'-6585'
- RIH packer on working string Set packer at +/- 6350' Test casing to 500 psi
- Frac the 1st Bone Spring formation with 1,800 Bbls of X-Link gel with 150,000 lbs of 20/40 white sand
- Unset packer and POH
- Clean the well to 6600' (PBTD)
- RIH 2-3/8" tubing and tubing anchor to 6600'
- 9 RIH rod pump ND BOP, NU X-Mas Tree
- 10 Put the well on production



SEE ATTACHED FOR CONDITIONS OF APPROVAL

Accepted for record NMOCD 105 Slipon

14. Thereby certify that the foregoing is true and correct. Name (Printed/Typed)		
Jennifer Duarte (jennifer_duarte@oxy com)	Րուիշ Regulatory Analyst	
Signature AMMAR AUGUST	Date 05/31/2012	APPROVED
THIS SPACE FOR FED	ERAL OR STATE OFFICE USE	
Approved by	Title	JUL 3 0 2012
Conditions of approval, if any, are attached. Approval of this notice does not warrant of that the applicant holds legal or equitable title to those rights in the subject lease which ventitle the applicant to conduct operations thereon.		WESLEY W. INGRAM
T-1 10 11 C C C 1001 1 T-1		PETROLLOW ENGINEER

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

#### **GENERAL INSTRUCTIONS**

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

#### **SPECIFIC INSTRUCTIONS**

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

## **NOTICES**

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

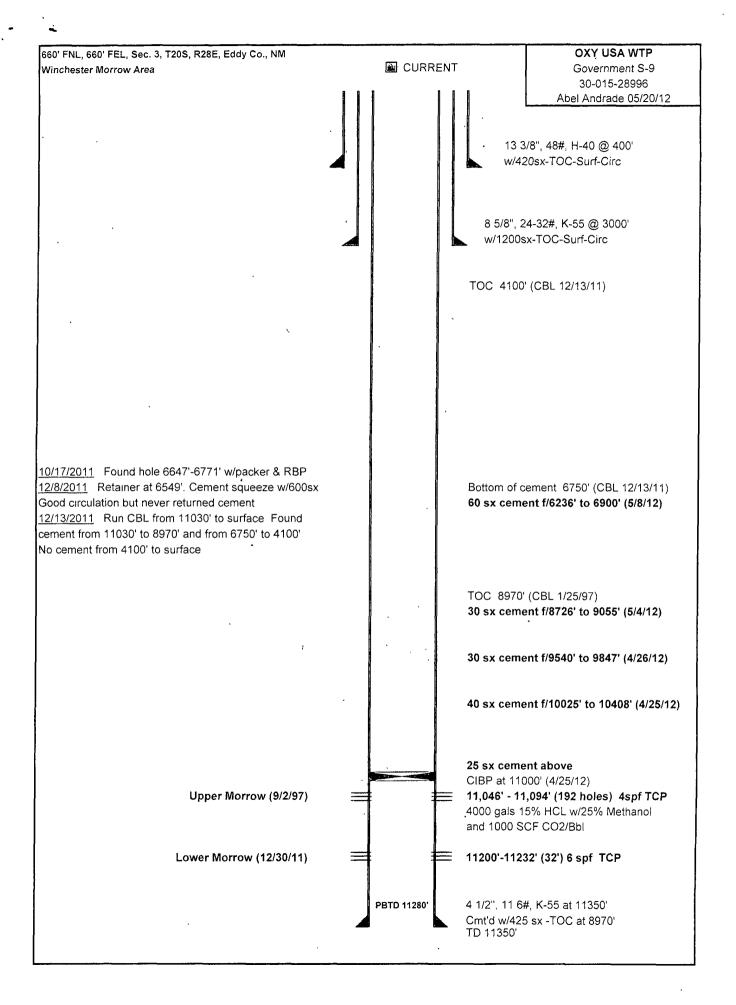
The Paperwork Reduction Act of 1995 requires us to inform you that:

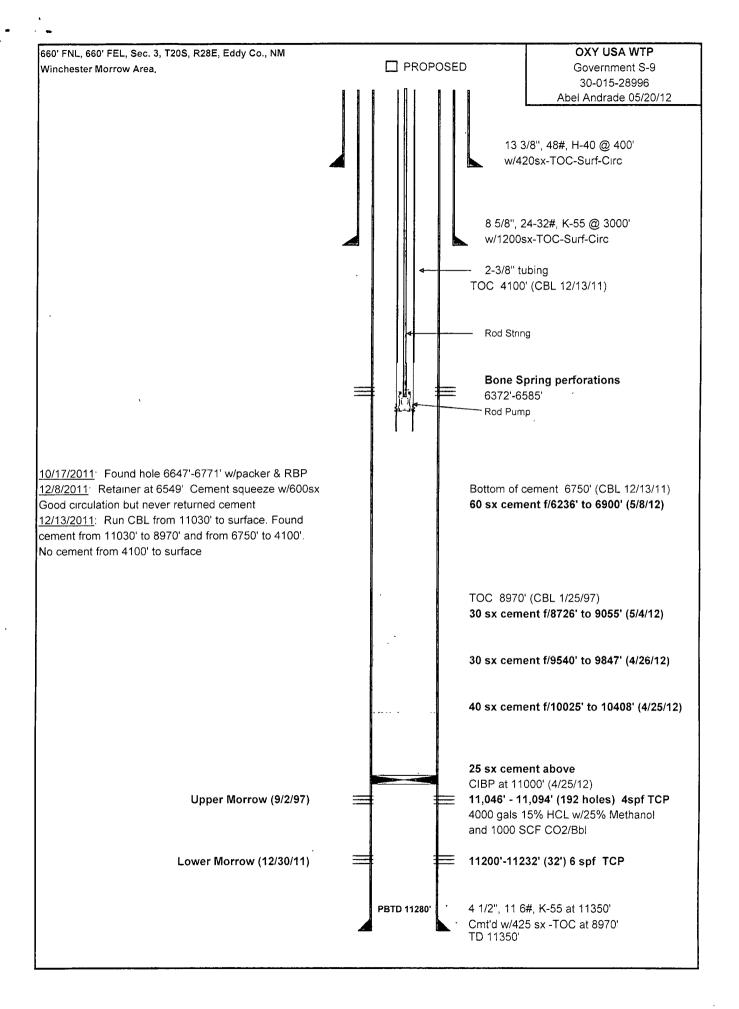
The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240





Printed 5/31/2012 OXY WTP LP - ABEL ANDRADE

# **Conditions of Approval**

# Oxy USA WTP LP Government S Com 9 API 30-015-28996

July 30, 2012

- 1. The communization agreement for this well (NM9818) will be terminated as the formations it covered have been plugged. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when completing to another pay zone. Operator shall include a new C-102 with the Subsequent Report sundry. Operator shall submit an NOI to eliminate "COM" from the well name upon a successful recompletion.
- 2. Surface disturbance beyond the existing pad shall have prior approval.
- 3. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
- 4. Functional H<sub>2</sub>S monitoring equipment shall be on location.
- 5. A minimum of 2000 (2M) BOPE is to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M/) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
- 6. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 7. Provide BLM with an electronic copy (Adobe Acrobat Document) of the cement bond log run 12/13/11.
- 8. Contact BLM PET 575-361-2822 a minimum of 24 hours prior to tagging plug and performing casing integrity test.
- 9. Tag plug set from 6900' to ~6171'. After drilling out to 6600' and before perforating, a BLM PET shall witness the (charted) casing integrity test to 500 psig. Pressure leakoff may require remediation prior to continuing the workover. Include a copy of the chart in the subsequent sundry for this workover.

- 10. Due to the proximity to the base of the Delaware formation, the operator shall tag fracture material with a tracer and run a tracer survey to verify that the fracture material is not placed out of zone. Results of the tracer to be reported on the workover subsequent sundry Form 3160-5. Operator has the option of providing the program for the fracture treatment in sufficient detail to indicate that the fractures will not enter the Delaware formation.
- 11. File a **subsequent sundry** Form 3160-5 within 30 days of the plug back and acid treatment. Include an updated wellbore diagram. File the subsequent sundry for the frac separately if it is delayed as much as 20 days.
- 12. Submit the BLM Form 3160-4 Recompletion Report within 30 days of the date all BLM approved procedures are complete.
- 13. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

PRS/WWI 073012

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - <a href="http://www.blm.gov/nm/st/en/prog/energy/oil\_and\_gas.html">http://www.blm.gov/nm/st/en/prog/energy/oil\_and\_gas.html</a>

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.