

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5 Lease Serial No
NM15003
6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7 If Unit of CA/Agreement, Name and/or No
NM 72271

8 Well Name and No
GOVERNMENT AG #1

9 API Well No
30-015-23254

10 Field and Pool or Exploratory Area
WOLFCAMP BURTON FLATS W.C.

11 County or Parish, State
EDDY COUNTY, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator
OXY USA WTP LP

3a Address
P O BOX 4294, Houston, TX 77210

3b Phone No (include area code)
713-513-6640

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1650' FSL & 1980' SEC 17 T20S R28E
FEL

12 CHECK THE 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 checked="" type="checkbox"/> Recomplete	<input 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 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 must 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 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.)

OXY USA WTP LIMITED PARTNERSHIP respectfully request permission to recompleat the above mentioned well in the Wolcamp formation, then test for 60 days. If unseccesful in the Wolcamp, we will then plug the perms and recompleat into the Bone Spring Formation. The detail procedure is attached along with current and proposed wellbore diagrams for review.

Approval for Wolcamp only.

Accepted for record

NMOCD

10/10/2012

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

OCT 10 2012

NMOCD ARTESIA

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

Jennifer Duarte (jennifer_duarte@oxy.com)

Title Regulatory Analyst

Signature

Date 07/05/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

APPROVED

OCT 4 2012

WESLEY W. INGRAM
PETROLEUM ENGINEER

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.

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.

(Instructions on page 2)

District I
1625 N French Dr. Hobbs NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr Santa Fe NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23254	² Pool Code 8357	³ Pool Name BURTON FLAT, Wolfcamp
⁴ Property Code	⁵ Property Name Government AG	
⁷ OGRID No. 192463	⁸ Operator Name OXY USA WTP LIMITED PARTNERSHIP	
	⁶ Well Number 1	
	⁹ Elevation 3258'	

¹⁰ Surface Location

UL or lot no J	Section 17	Township 20S	Range 28E	Lot Idn	Feet from the 1650'	North/South line SOUTH	Feet from the 1980'	East/West line EAST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i> Signature _____ Date 07/05/2012 JENNIFER DUARTE Printed Name JENNIFER_DUARTE@OXY.COM E-mail Address	
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</i> Date of Survey _____ Signature and Seal of Professional Surveyor _____ Certificate Number _____	

Our plan is Wolfcamp recompletion. Then will test the well for 60 days. ~~if the production is not as expected, we are planning to P&A Wolfcamp and recomplete in 1st Bone Spring sand.~~

PROGRAM

WOLFCAMP RECOMPLETION

1. MIRU PU. ND X-Mas Tree. NU BOP.
2. Unset packer. POH 2-7/8" tubing,
3. Set CIBP at +/- 10880'. Dump 60 Sxs of cement above the CIBP.
4. RIH open ended working string to 10880' (CIBP depth).
5. Spot 35 Sxs of cement across Atoka formation. WOC-tag.
6. Spot 35 sx of cement across Strawn formation. WOC-tag.
7. Spot 35 sx of cement across Canyon formation. WOC-tag.
8. Spot 35 sx of cement across Cisco formation. WOC-tag.
9. RIH and set CIBP at 9600'
10. Perforate Wolfcamp in the interval 8900'-9400'
11. RIH with packer on working string, and acid stimulate Wolfcamp perforations.
12. Open the well and swab it.
13. Unset packer. POH.
14. RIH production string with seating nipple and tubing anchor.
15. Set tubing hanger. ND BOP. NU Rod BOP and well head.
16. RIH rod pump. Space out. Install polished rod. Test pump function.
17. RD Well Service Rig.
18. Put the well on production.

Target production: 5 BOPD x 120 mcfd

If after 60 days the production target is not reached, will plan to P&A Wolfcamp, and recomplete in 1st Bone Spring sand.

1st BONE SPRING SAND RECOMPLETION

1. MIRU PU. ND X-Mas Tree. NU BOP.
2. POH rod pump.
3. POH production string.
4. RIH open ended working string to 9600' (CIBP depth).
5. Spot 35 Sxs of cement across Wolfcamp formation. WOC-tag.
6. RIH and set CIBP at 6600'
7. Perforate Yeso formation in the interval 6325'-6420'
8. RIH with packer on working string. Set packer and test casing to 500 psi.
9. Frac the 1st Bone Spring formation with 1,000 Bbls of X-Link gel with 135,000 lbs of 20/40 white sand.
10. Unset packer and POH.
11. RIH and clean out the well. POH.
12. RIH production string with seating nipple and tubing anchor.
13. Set tubing hanger. ND BOP. NU Rod BOP and well head.
14. RIH rod pump. Space out. Install polished rod. Test pump function.
15. RD Well Service Rig.
16. Put the well on production.

*incomplete
only WC approved*

1650' FSL, 1980' FEL, Sec. 17, T20S, R28E, Eddy Co., NM
Und. Burton Flat Mor. Area - WI: 100%

OXY USA WTP
Government AG-1
30-015-30998
Abel Andrade 04/20/12

 CURRENT

13 3/8", 48#, H-40 @ 600'
Cmt'd w/650 sx - Circulated 210 sx
to pit

8 5/8", 24 & 32#, K-55 @ 3022'
Cmt'd w/2085 sx - Did not circulate
Topped-out w/450 sx

2 7/8", 6 5#, N-80 tbg

TOC 7995' (CBL - 8/11/80)

Baker On/Off Tool w/2.31" F nipple profile
5 1/2" x 2 7/8" Baker AL-2 Loc-Set
packer at 10,814' (7/30/93)
2 7/8" X 4' Sub
2 7/8" R nipple 2.107" Profile
2 7/8" W/L re-entry guide at 10,822'

Upper Morrow Perfs: NEW (7/19/93)

10,932-36'; 10,939-42'; 10,949-52'; 10,964-66'
10,973-76'; 10,984-11,000'; 11,005-08'

Upper Morrow Perfs: OLD (9/2/80)

CIBP 11010
11015
~~10,015-24'; 11,028-31'; 11,035-36' (9/2/80)~~ *6/17/82*

New PBTD: 11,055' (1 sx of cmt)
Baker Model DB @ 11,060' (9/2/80)
F nipple w/blanking plug at 11070'(9/2/80)

Lower Morrow

11,083-91' (9/2/80)

PBTD 11243'

5 1/2", 17 & 20#, N-80 at 11325'
Cmt'd w/775 sx
TD 11325'

PROPOSED

13 3/8", 48#, H-40 @ 600'

Cmt'd w/650 sx - Circulated 210 sx to pit

8 5/8", 24 & 32#, K-55 @ 3022'

Cmt'd w/2085 sx - Did not circulate
 Topped-out w/450 sx

2 7/8", 6 5#, N-80 tbg

TOC 7995' (CBL - 8/11/80)

Subsurface Plunger

Bumper Spring

Retrievable Standing Valve

2 7/8" seating nipple

Wolfcamp Perforations

8,707'-9,636'

Numbers of abandonment
 cements plugs according to
 Regulatory

Upper Morrow Perfs: NEW (7/19/93)

10,932-36'; 10,939-42'; 10,949-52'; 10,964-66'
 10,973-76'; 10,984-11,000'; 11,005-08'

Upper Morrow Perfs: OLD (9/2/80)

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F nipple w/blanking plug at 11070'(9/2/80)

Lower Morrow

11,083-91' (9/2/80)

PBTD 11243'

5 1/2", 17 & 20#, N-80 at 11325'

Cmt'd w/775 sx

-TD 11325'

Conditions of Approval

OXY USA WTP LP
Government AG - 01
API 30-015-23254
T20S-R28E, Sec 17
September 20, 2012

Note: The approval is for the Wolfcamp attempt only as the section for the Bone Spring lists the Yeso and Bone Spring and is deemed incomplete. Operator did not propose a squeeze for the lack of cement behind the casing in the Bone Spring/Yeso formations.

- 1. Before the workover begins provide BLM with an electronic copy (Adobe Acrobat Document) of the cement bond log recorded 08/11/1980. The CBL may be attached to an e-mail to pswartz@blm.gov. The CFO BLM on call engineer may be reached at 575-706-2779.**
- 2. Notify BLM 575-200-7902 a minimum of 24 hours prior to commencing plug back procedures. The procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.**
- 3. Surface disturbance beyond the existing pad must have prior approval.**
- 4. 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.**
- 5. Functional H₂S monitoring equipment shall be on location.**
- 6. A minimum of 5000 (5M) BOPE shall 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 (5M) 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.**
- 7. 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.**

8. **The BLM PET witness is to run tbq tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test (WOC time of 4 hours recommended) as requested by BLM PET witness.**
9. Class H > 7500' and C < 7500') cement plugs(s) will be necessary. **All plugs shall be a minimum of 100' plus 10% for each thousand feet (3000' = 130' plug, etc.).** For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" to be mixed 15.6#/gal, 1.18ft³/sx, 5.2gal/sx water.
10. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
11. **Step 3 – tag CIBP at 10,880' to verify depth and then place 60 sacks of Class H cement on CIBP.**
12. **Step 5 – plug length shall be 205', 6 – plug length shall be 200', 7 – plug length shall be 196', 8 – plug length shall be 190'.**
13. After setting the top plug and before perforating, perform a BLM PET witnessed (charted) casing integrity test of 800 psig. Pressure leakoff may require remediation prior to continuing the workover. Include a copy of the chart in the subsequent sundry for this workover.
14. **File subsequent sundry Form 3160-5 within 30 days of the work completed on the Wolfcamp.**
15. **If the operator does not meet their objective, operator shall provide detailed economics showing that the well cannot be produced in paying quantities. Operator shall amend the Communitization Agreement to include the Wolfcamp after operator confirms that the Wolfcamp completion requires a 320 spacing unit.**
16. Submit the BLM Form 3160-4 **Completion Report** within 30 days of the date all BLM approved procedures are complete. **This is required if the Wolfcamp is produced for more than one day.**
17. 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.
18. This well's recorded activity has been inactive/shut-in for more than 30 days without authorization. An inactive/shut-in well bore is a non-producing completion that is capable of production in paying quantities or of service use.
19. Submit evidence to support your determination that active "beneficial use" exists for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies) before March 31, 2013.
20. Should "beneficial use" not be achieved before March 31, 2013, submit for BLM approval, a plan for plug and abandonment.

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

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 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.