

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD  
Artesia

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**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.  
NMNM12845

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
FEDERAL 1 2

2. Name of Operator  
OXY USA INCORPORATED

Contact: JENNIFER A HUDGENS  
E-Mail: jennifer\_duarte@oxy.com

9. API Well No.  
30-015-26828-00-S1

3a. Address  
5 GREENWAY PLAZA SUITE 110  
HOUSTON, TX 77046-0521

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

10. Field and Pool or Exploratory Area  
LIVINGSTON RIDGE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 1 T22S R31E NWSE 2310FSL 1980FEL

11. County or Parish, State  
EDDY COUNTY, NM

**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"/> Hydraulic Fracturing	<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 Venting and/or Flaring
	<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 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.

OXY USA WTP LP respectfully reports that the above location began to flare on OCTOBER 13, 2016 due to Enterprise issues and we request permission to flare for 90 days ending on JANUARY 11, 2017.

NEW OIL CONSERVATION  
ARTESIA DISTRICT

MAR 27 2017

RECEIVED 3/28/17

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #366586 verified by the BLM Well Information System  
For OXY USA INCORPORATED, sent to the Carlsbad  
Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/14/2017 (17DLM0847SE)

Name (Printed/Typed) JENNIFER A HUDGENS

Title ENVIRONMENTAL SPECIALIST

Signature (Electronic Submission)

Date 02/09/2017

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

Approved By (ORIG. SGN) DAVID B. [Signature]

Title PETROLEUM ENGINEER

MAR 14 2017

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, 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)

\*\* BLM REVISED \*\*

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

Well Names	API #	U-S-T-R	Footages
Cabin Lake 31 Federal Com #6H	30-025-41088	M-31-21S-32E	560 FSL & 330 FWL
Federal 1 #2	30-015-26828	J-1-22S-31E	2310 FSL & 1980 FEL
Federal 1 #1	30-015-26775	K-1-22S-31E	2310 FSL & 1980 FWL
Federal 1 #3	30-015-26829	I-1-22S-31E	2310 FSL & 990 FEL
Federal 1 #4	30-015-26843	L-1-22S-31E	2310 FSL & 660 FWL
Federal 1 #5	30-015-26909	M-1-22S-31E	990 FSL & 990 FWL
Federal 1 #6	30-015-26910	N-1-22S-31E	990 FSL & 1880 FWL
Federal 1 #7	30-015-26988	O-1-22S-31E	990 FSL & 2310 FEL
Federal 12 #14H	30-015-40821	P-12-22S-31E	330 FSL & 405 FEL
Federal 12 #2	30-015-26780	L-12-22S-31E	1980 FSL & 660 FWL
Federal 12 #3	30-015-26858	N-12-22S-31E	330 FSL & 1980 FWL
Federal 12 #4	30-015-26859	E-12-22S-31E	1980 FNL & 330 FWL
Federal 12 #5	30-015-26860	D-12-22S-31E	660 FNL & 330 FWL
Federal 12 #6	30-015-26917	K-12-22S-31E	2310 FSL & 1650 FWL
Federal 12 #7	30-015-26918	F-12-22S-31E	1650 FNL & 1650 FWL
Federal 12 #8	30-015-26942	C-12-22S-31E	330 FNL & 1650 FWL
Federal 12 #9	30-015-26971	O-12-22S-31E	330 FSL & 2310 FEL
Federal 23 #1	30-015-26932	I-23-22S-31E	1750 FSL & 660 FEL
Federal 23 #11H	30-015-39437	D-26-22S-31E	590 FNL & 380 FWL
Federal 23 #12H	30-015-41803	D-26-22S-31E	941 FNL & 490 FWL
Federal 23 #13H	30-015-41636	C-26-22S-31E	610 FNL & 2277 FWL
Federal 23 #16	30-015-37341	A-23-22S-31E	612 FNL & 509 FEL
Federal 23 #2	30-015-26932	I-23-22S-31E	1750 FSL & 660 FEL
Federal 23 #3	30-015-26400	H-23-22S-31E	2310 FNL & 660 FEL
Federal 23 #5	30-015-26681	A-23-22S-31E	660 FNL & 510 FEL
Federal 23 #6	30-015-37340	I-23-22S-31E	1709 FSL & 660 FEL
Federal 23 #7H	30-015-39436	C-26-22S-31E	590 FNL & 1955 FWL
Federal 23 #9	30-015-37334	H-23-22S-31E	2261 FNL & 656 FEL
Federal 23 #4	30-015-37336	P-23-22S-31E	715 FSL & 657 FEL
Federal 26 #12H	30-015-41573	P-23-22S-31E	713 FSL & 528 FEL
Federal 26 #13H	30-015-41600	B-26-22S-31E	334 FNL & 2378 FEL
Federal 26 #3	30-015-26788	C-26-22S-31E	610 FNL & 2130 FWL
Federal 26 #4	30-015-26866	D-26-22S-31E	600 FNL & 330 FWL
Federal 26 #5	30-015-26854	B-26-22S-31E	330 FNL & 2230 FEL
Federal 26 #7	30-015-26941	F-26-22S-31E	1980 FNL & 1980 FWL
Federal 26 #9	30-015-30355	L-26-22S-31E	1980 FSL & 330 FWL
Getty 24 Federal #11	30-015-31162	I-24-22S-31E	2310 FSL & 990 FEL
Lost Tank 10 Federal #1	30-015-37959	P-3-22S-31E	400 FSL & 250 FEL
Lost Tank 10 Federal #2	30-015-37960	O-3-22S-31E	840 FSL & 1838 FEL
Lost Tank 10 Federal #3	30-015-37897	O-3-22S-31E	805 FSL & 1874 FEL
Lost Tank 10 Federal #4	30-015-37961	P-3-22S-31E	300 FSL & 250 FEL
Lost Tank 10 Federal #5	30-015-37924	P-3-22S-31E	200 FSL & 250 FEL
Lost Tank 11 Federal #1	30-015-37962	P-3-22S-31E	350 FSL & 250 FEL
Lost Tank 3 Federal #1	30-015-29638	D-3-22S-31E	330 FNL & 660 FWL
Lost Tank 3 Federal #10	30-015-32345	B-3-22S-31E	330 FNL & 2210 FEL
Lost Tank 3 Federal #11	30-015-32725	I-3-22S-31E	2310 FSL & 660 FEL

Lost Tank 3 Federal #12	30-015-32726	P-3-22S-31E	990 FSL & 660 FEL
Lost Tank 3 Federal #13	30-015-37950	J-3-22S-31E	2350 FSL & 2250 FEL
Lost Tank 3 Federal #14	30-015-37918	J-3-22S-31E	1450 FSL & 1700 FEL
Lost Tank 3 Federal #15	30-015-37951	E-3-22S-31E	2558 FNL & 235 FWL
Lost Tank 3 Federal #16	30-015-37907	O-3-22S-31E	735 FSL & 1945 FEL
Lost Tank 3 Federal #18	30-015-37908	O-3-22S-31E	770 FSL & 1909 FEL
Lost Tank 3 Federal #19	30-015-37952	E-3-22S-31E	2558 FNL & 185 FWL
Lost Tank 3 Federal #2	30-015-29682	C-3-22S-31E	330 FNL & 1650 FWL
Lost Tank 3 Federal #20	30-015-37919	J-3-22S-31E	2400 FSL & 2250 FEL
Lost Tank 3 Federal #21	30-015-37920	E-3-22S-31E	2558 FNL & 285 FWL
Lost Tank 3 Federal #22	30-015-37921	E-3-22S-31E	2324 FNL & 2000 FWL
Lost Tank 3 Federal Deep #23	30-015-35354	E-3-22S-31E	1405 FNL & 630 FWL
Lost Tank 3 Federal #3	30-015-29859	F-3-22S-31E	1450 FNL & 1650 FWL
Lost Tank 3 Federal #4	30-015-30418	E-3-22S-31E	1330 FNL & 480 FWL
Lost Tank 3 Federal #5	30-015-30586	H-3-22S-31E	1950 FNL & 1300 FEL
Lost Tank 3 Federal #6	30-015-31887	A-3-22S-31E	330 FNL & 430 FEL
Lost Tank 3 Federal #7	30-015-32167	B-3-22S-31E	760 FNL & 1390 FEL
Lost Tank 3 Federal #8	30-015-32168	H-3-22S-31E	1330 FNL & 550 FEL
Lost Tank 3 Federal #9	30-015-32169	G-3-22S-31E	1650 FNL & 2310 FEL
Lost Tank 33 Federal #10	30-015-29744	A-33-21S-31E	660 FNL & 330 FEL
Lost Tank 33 Federal #11	30-015-29677	G-33-21S-31E	1980 FNL & 1650 FEL
Lost Tank 33 Federal #12	30-015-29678	B-33-21S-31E	660 FNL & 1650 FEL
Lost Tank 33 Federal #15	30-015-29681	K-33-21S-31E	1650 FSL & 2310 FWL
Lost Tank 33 Federal #4	30-015-29338	P-33-21S-31E	660 FSL & 330 FEL
Lost Tank 33 Federal #5	30-015-30167	J-33-21S-31E	1980 FSL & 1650 FEL
Lost Tank 33 Federal #6	30-015-29467	I-33-21S-31E	1980 FSL & 330 FEL
Lost Tank 33 Federal #7	30-015-29468	H-33-21S-31E	1980 FNL & 330 FEL
Lost Tank 33 Federal #8	30-015-29381	N-33-21S-31E	660 FSL & 2310 FWL
Lost Tank 33 Federal #9	30-015-29382	O-33-21S-31E	660 FSL & 1650 FEL
Lost Tank 35 State #1	30-015-31361	P-35-21S-31E	660 FSL & 660 FEL
Lost Tank 35 State #10	30-015-32512	G-35-21S-31E	1980 FNL & 1980 FEL
Lost Tank 35 State #11	30-015-32240	F-35-21S-31E	1930 FNL & 2030 FWL
Lost Tank 35 State #12	30-015-31851	N-35-21S-31E	1930 FNL & 330 FWL
Lost Tank 35 State #13Q	30-015-33445	A-35-21S-31E	330 FNL & 330 FEL
Lost Tank 35 State #14	30-015-33434	B-35-21S-31E	330 FNL & 1650 FEL
Lost Tank 35 State #15	30-015-33446	C-35-21S-31E	330 FNL & 1650 FWL
Lost Tank 35 State #16	30-015-31926	D-35-21S-31E	990 FNL & 330 FWL
Lost Tank 35 State #2	30-015-32354	O-35-21S-31E	330 FSL & 1980 FEL
Lost Tank 35 State #3	30-015-31608	N-35-21S-31E	330 FSL & 2030 FWL
Lost Tank 35 State #4	30-015-31275	M-35-21S-31E	330 FSL & 560 FWL
Lost Tank 35 State #6	30-015-32352	J-35-21S-31E	1780 FSL & 1750 FEL
Lost Tank 35 State #7	30-015-31640	K-35-21S-31E	1650 FSL & 2030 FWL
Lost Tank 35 State #8	30-015-31641	L-35-21S-31E	1650 FSL & 610 FWL
Lost Tank 35 State #9	30-015-32511	H-35-21S-31E	1980 FNL & 660 FEL
Lost Tank 4 Federal #1	30-015-28727	C-4-22S-31E	330 FNL & 2310 FWL
Lost Tank 4 Federal #11	30-015-37954	F-4-22S-31E	1467 FNL & 2263 FWL
Lost Tank 4 Federal #12	30-015-37955	K-4-22S-31E	2200 FSL & 2260 FWL

Lost Tank 4 Federal #13	30-015-37956	K-4-22S-31E	2150 FSL & 2260 FWL
Lost Tank 4 Federal #14	30-015-37893	I-4-22S-31E	2225 FSL & 1260 FEL
Lost Tank 4 Federal #15	30-015-37894	I-4-22S-31E	2225 FSL & 1160 FEL
Lost Tank 4 Federal #16	30-015-37957	I-4-22S-31E	2225 FSL & 1210 FEL
Lost Tank 4 Federal #17	30-015-37958	I-4-22S-31E	2225 FSL & 1310 FEL
Lost Tank 4 Federal #18	30-015-37895	K-4-22S-31E	2050 FSL & 2260 FWL
Lost Tank 4 Federal #19	30-015-37896	K-4-22S-31E	2100 FSL & 2260 FWL
Lost Tank 4 Federal #2	30-015-29611	B-4-22S-31E	330 FNL & 1650 FEL
Lost Tank 4 Federal #22	30-015-40774	G-4-22S-31E	1774 FNL & 1480 FEL
Lost Tank 4 Federal #22	30-015-40775	G-4-22S-31E	1378 FNL & 1764 FEL
Lost Tank 4 Federal #23	30-015-40776	G-4-22S-31E	1428 FNL & 1764 FEL
Lost Tank 4 Federal #3	30-015-29617	A-4-22S-31E	330 FNL & 330 FEL
Lost Tank 4 Federal #5	30-015-29732	F-4-22S-31E	1650 FNL & 2310 FWL
Lost Tank 4 Federal #6	30-015-29733	G-4-22S-31E	1650 FNL & 1650 FEL
Lost Tank 4 Federal #7	30-015-30414	H-4-22S-31E	1330 FNL & 660 FEL
Lost Tank 4 Federal #8	30-015-37923	H-4-22S-31E	2490 FNL & 500 FEL
Lost Tank 4 Federal #9	30-015-37953	G-4-22S-31E	2460 FNL & 1850 FEL
Neff 25 Federal #5H	30-015-41031	C-25-22S-31E	634 FNL & 2218 FWL
Neff 25 Federal #9H	30-015-41459	E-25-22S-31E	2160 FNL & 150 FWL
Neff Federal #2	30-015-26639	E-25-22S-31E	1650 FNL & 330 FWL
Proximity 30 #3	30-025-37184	F-30-22S-32E	1980 FNL & 1980 FWL

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

Pursuant to **NTL-4A III**, Lessees or operators are hereby authorized to vent or flare gas on a short-term basis without incurring a royalty obligation in the following circumstances:

- A. Emergencies. During temporary emergency situations, such as compressor or other equipment failures, relief of abnormal system pressures, or other conditions which result in the unavoidable short-term venting or flaring of gas. However, this authorization to vent or flare gas in such circumstances without incurring a royalty obligation is limited to 24 hours per incident and to 144 hours cumulative for the lease during any calendar month, except with the prior authorization, approval, ratification, or acceptance of the Supervisor.
- B. Well Purging and Evaluation Tests. During the unloading or cleaning up of a well during drillstem, producing, routine purging, or evaluation tests, not exceeding a period of 24 hours.
- C. Initial Production Tests. During initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first, unless a longer test period has been authorized by the appropriate State regulatory agency and ratified or accepted by the Supervisor.
- D. Routine or Special Well Tests. During routine or special well tests, other than those cited in NTL-4A III.B and C above, only after approval by the Supervisor.

If a flaring event conforms with the requirements listed above as per NTL-4A III., the flared volumes are not royalty bearing and the operator does not need to submit a Sundry Notice. Report flared volumes as unavoidably lost on OGOR B.

**Condition of Approval to Flare Gas**

1. The first 24 hours of a temporary emergency flare\* is considered "unavoidably lost" and is therefore royalty free. Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). NTL-4A specifies no more than six-24 hour temporary emergency flare events and not to exceed 144 hours cumulative for the lease during a calendar month. These Volumes are not royalty bearing and shall be reported on OGOR "B" as disposition code "23".
2. Flared volumes considered to be "avoidably lost":
  - Exceeding the first 24 hours for each temporary emergency flare event (144 hours cumulative for the lease per month), well purging and evaluation test.
  - During initial well evaluation tests, exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first
  - Scheduled flaring operations

These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in NTL-4A are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with NTL-4A.IV.B.. Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08". If the operator believes that the flared volumes were "unavoidably lost" and the BLM determines them to be "avoidably lost", the operator can submit a more detailed request via Sundry Notice

(Form 3160-5) for an exception in accordance with NTL-4A.IV.B. As an alternative to producing oil and flaring gas the operator may choose to shut the well in and avoid paying royalties on otherwise avoidably lost gas.

3. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a Sundry Notice (Form 3160-5). Include method for volume determination and duration.
5. In determining the volumes of gas to be reported in accordance with NTL-4A the BLM CFO requires Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on Sundry Notice (Form 3160-5).
  - If installation of an approved gas meter is not economically feasible for continued operations. Submit Notice of Intent - Sundry Notice (Form 3160-5) to request an alternate method of determining gas volumes with a valid justification. Alternate methods are listed in NTL-4A. The Authorized Officer may require the installation of additional measurement equipment whenever it is determined that the present methods are inadequate to meet the purposes of this Notice.
6. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
7. This approval does not authorize any additional surface disturbance.
8. Subject to like approval from NMOCD

### **Regulations and Definitions**

**Definition:** As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

**NTL-4A.IV.B.** Oil Well Gas. Except as provided in II.C and III above, oil well gas may not be vented or flared unless approved in writing by the Supervisor. The Supervisor may approve an application for the venting or flaring of oil well gas if justified either by the submittal of **(1)** an evaluation report supported by engineering, geologic, and economic data which demonstrates to the satisfaction of the Supervisor that the expenditures necessary to market or beneficially use such gas are not economically justified and that conservation of the gas, if required, would lead to the premature abandonment of recoverable oil reserves and ultimately to a greater loss of equivalent energy than would be recovered if the venting or flaring were permitted to continue or **(2)** an action plan that will eliminate venting or flaring of the gas within 1 year from the date of application.

\*Temporary Emergency Flaring is defined as an unexpected situation requiring immediate action. A flaring event is considered an emergency if the occurrence is out of the operators control and the operator had less than 24 hrs notification of the event. Scheduled or routine flare events will not be considered an emergency.