

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION

ARTESIA DISTRICT
OCD Artesia

DEC 12 2017

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.
NMNM89819

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.
PALLADIUM MDP1-7-6 FEDERAL COM 3H

2. Name of Operator
OXY USA INC
Contact: DAVID STEWART
E-Mail: david_stewart@oxy.com

9. API Well No.
30-015-44292-00-X1

3a. Address
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 432.685.5717

10. Field and Pool or Exploratory Area
COTTON DRAW

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T24S R31E NENW 169FNL 2255FWL
32.224129 N Lat, 103.818375 W Lon

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 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"/> 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 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 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.

9/11-9/19/17 RIH & tag cmt @ 4277', drill new formation to 4361', perform FIT test EMW=10.5ppg, 260psi, good test. Drill 8-1/2" hole to 10895', go to make connection, take survey, attempted to start drilling, pipe was stuck, try to work free.

OC 12-13-17
Accepted for record - NMOCD

9/20/17 RIH w/ free point WL, 100% free @ 3680', 0% free @ 3706', POOH. RIH w/ fishing BHA & tag up @ 3658', length of fish 7237' consisting of 5" drill collars, subs, motor, bit. RIH & jar fish without success.

9/21/17 POOH & LD fishing BHA. RIH w/ 5" DP, engaged fish, broke circ w/ no issues. RU crane, PU vibrator and attempt to vibrate fish loose.

9/22/17 RD vibrator, WL & free point pipe, back off at 3686', RIH w/ fishing BHA & shot chemical

No Reclamation scheduled (Drill Island)

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

Electronic Submission #396479 verified by the BLM Well Information System
For OXY USA INC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 12/05/2017 (17CRW0056SE)

Name (Printed/Typed) DAVID STEWART	Title SR REGULATORY ADVISOR
Signature (Electronic Submission)	Date 11/30/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James G. Jones</i>	Title <i>Supv. PE T</i>	Date <i>12-6-17</i>
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 <i>CFO</i>	

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 ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #396479 that would not fit on the form

32. Additional remarks, continued

cutter @ 4180', attempt to POOH w/ fish.

9/23/17 Continue to attempt to free fish with no success. RIH w/ camera to 3627', unable to go any farther, POOH. Screw into fish @ 3638', attempt to jar loose.

9/24/17 POOH w/ fishing BHA. RIH w/ washover BHA, tag fish @ 3626' and start to wash down, work down to 3648', tagged solid, getting fine metal shaving.

9/25/17 RIH w/ WL, POOH w/ washover BHA, RIH w/ spear w/ grapple BHA and attempt to enter and retrieve fish.

9/26/17 RIH w/ 2-3/4" heavy assembly with no success. RIH w/ 2-5/8" wireline assembly and worked into hole to 10270'. TIH with 5" DP and engaged fish, RIH w/ WL to perf, work down inside DP to 10250', PUH to 10220' & perf, POOH. Start to make up tbg-pkr assembly, start to RIH.

9/27/17 Attempt to set ISO pkr, POOH, RIH w/ camera wo success, POOH w/ 5" DP, PU cmt stinger

9/28/17 RIH w/ cmt stinger assembly, tag TOF @ 3630', work into fish, run camera, continue to RIH w/ stinger to 5042', 1st packoff @ 4333', 2nd @ 4302'.

9/29/17 Continue to sting into fish, EIR unsealed @ 4bpm @ 750#. 6bpm @ 1500#, 7bpm @ 2042#. EIR sealed w/ 4bpm @ 840#, 6bpm @ 1500#, 7bpm @ 2500#, notified BLM of start to P&A. Circ bottoms up from 10220' w/ 8.7# mud. M&P 61bbl 10.5# mud spacer followed by 561sx (138bbl) cmt @ 13.2#, 1.38 yield followed by 579sx (142bbl) cmt @ 13.2#, 1.38 yield, displace w/ mud & had full returns, PUH to 4272', WOC, circ hole. RIH & tag cmt @ 6666', BLM on loc and witnessed tag, PUH. Start circ @ 325bbbls @ 175#, start next stage, M&P 1424sx (421bbl) @ 13.5#, 1.66 yield, WOC, let cmt fall.

9/30/17 RIH w/ 8-1/2" bit, sub, 5" drill pipe, tag cmt @ 685', M&P 186sx (55bbl) CL C cmt, 13.5#, 1.66 yield, circ 20sx (6bbl) cmt to surface. ND BOP, spool, accumulator, choke line, kill line, and flow line. Install well cap, release rig.