

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

OXY USA Inc.

16696

3a. Address

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

3b. Phone No. (include area code)

432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SL-840FSL 1838FEL SWSE(0) Sec 3 T22S R31E
BHL-950FNL 2312FEL NWNE(13) Sec 10 " "

5. Lease Serial No.

NMNM0417696 - NM0417506

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lost Tank 10 #2
Federal

9. API Well No.

30-015-37960

10. Field and Pool, or Exploratory Area

Lost Tank 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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

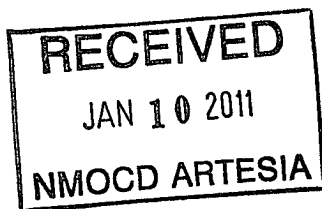
☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☐ Recomplete☒ Other Amend☒ Change Plans☐ Plug and Abandon☐ Temporarily Abandon

Intermediate/Prod

☐ Convert to Injection☐ Plug Back☐ Water Disposal

Casing & Cementing

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 shall 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 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.

SEE ATTACHED FOR
CONDITIONS OF APPROVALAccepted for record
NMOC D14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

12/25/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE JAN 6 2011

Approved by

Title

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, 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.

OXY USA Inc
Lost Tank 10 Federal #2
API No. 30-015-37960

SURFACE LOCATION: 840 FSL 1838 FEL SWSE(O) Sec 3 T22S R31E

BOTTOM HOLE LOCATION: 950 FNL 2312 FEL NWNE(B) Sec 10 T22S R31E

1. CEMENT PROGRAM:

Intermediate Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
<u>Intermediate (TOC: Surface)</u>							
Lead: 0 – 3691' (150 % Excess)	940	3691	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	851 psi
Tail: 3691 – 4175' (150 % Excess)	200	484'	Premium Plus cement with 1% WellLife 734	6.38	14.80	1.34	1343 psi

Production Interval

Interval	Amount sx	Ft of Fill	Type	Gal/Sk	PPG	Ft ³ /sk	24 Hr Comp
<u>Production (TOC: 6000') 1st Stage</u>							
Lead: 6000 – 8662' (100 % Excess)	580	2662'	Super H Cement with 0.5% Halad-344 (Low Fluid Loss Control), 0.4% CFR-3 (Dispersant), 5 lb/sk Gilsonite, 1 lb/sk Salt, 0.3% HR-800 (Retarder), 0.125 lb/sk Poly-E-Flake (lost circulation additive)	7.87	13.20	1.62	1817 psi
<u>DV Tool @ 6000</u>							
<u>Production (TOC: 4210') 2nd Stage</u>							
Lead: 4225 – 6000' (200% Excess)	580	1775'	Super H Cement with 0.5% Halad-344 (Low Fluid Loss Control), 0.125 lb/sk Poly-E-Flake (Lost Circulation Additive), 5 lb/sk Gilsonite (lost circulation additive), 0.4% CFR-3 (dispersant), 1 lb/sk Salt	7.86	13.20	1.61	1536 psi
<u>Pack-Off Stage Tool @ 4225 '</u>							
<u>Production (TOC: Surface) 3rd Stage</u>							
Lead: 0 – 3448 ' (35 % Excess)	400	3448 '	Light Premium Plus with 3 lb/sk Salt	11.67	12.4	2.08	560 psi
Tail: 3448 – 4225 ' 35 % Excess of Annular Volume)	150	777 '	Premium Plus with 5 lb/sk Gilsonite (Low Fluid Loss Control), 0.125 lb/sk Poly-E-Flake (Lost circulation additive)	5.81	14.80	1.33	1750 psi

Casing

8-5/8" 32# J55 LTC
5-1/2" 17# J-55, LTC

Hole Size

10-5/8
7-7/8"

DVT @ 6000'

Interval

0–4175'
0–8662'

POST @ 4225'

TOC

Surface
Surface

Lost Tank 10 Federal 2
30-015-37960
OXY USA Inc.
January 6, 2011
Conditions of Approval

1. The **8-5/8 inch** intermediate casing shall be cemented to surface and **shall be set in the Fletcher Anyhydrite or Lamar Limestone, 100 to 600 feet below the base of the salt.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

The DV tool shall be placed a minimum of 50 feet below the intermediate casing shoe.

Centralizers required on directional leg, shall be type for directional service and minimum of one every other joint.

2. The minimum required fill of cement behind the **5-1/2 inch** production casing is:
 - a. First stage to DV tool, cement shall:
 - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job. Operator shall have plans as to how they will achieve circulation on the next stage.
 - b. Second stage above DV tool, cement shall:
 - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with third stage cement job. Operator shall have plans as to how they will achieve circulation on the next stage.
 - c. Third stage above DV tool, cement shall:
 - ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.

WWI 010611