

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-2558 FWL 235 FWL SWNW(LE) Sec 3 T22S R31E
BH-1650 FSL 660 FWL NWSW(L)

5. Lease Serial No.

NMNM0417696

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lost Tank 3 #15
Federal

9. API Well No.

30-015-37951

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

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Spud, set

casing & cement

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.)

Spud 14-3/4" hole 12/13/10, drill to 685', RIH & set 11-3/4" 42# H40 STC csg @ 685', cmt w/ 570sx PPC w/ additives, circ 2785x cmt to surface. WOC, Test BOP's.

Drill 10-5/8" hole to 3911'. RIH w/ 8-5/8 csg 32# J-55 LTC & set @ 3911', cmt w/ 880sx PPC followed by 200sx PPC all w/ additives, circ 373sx cmt to surf, WOC, Test BOP's.

Drill 7-7/8" hole to 8287'M 8101'V. Log well, RIH w/ 5-1/2" 17# J55 LTC csg @ 8287' w/ DVT @ 5888', POST @ 3965'. Cmt 1st stage w/ 500sx Super H, circ 160sx cmt to surf. Cmt 2nd stage w/ 630sx Super H, circ 296sx cmt to surf. Cmt 3rd stage w/ 380sx PPC followed by 150sx PPC all w/ additives, circ 103sx cmt to surf. Rel Rig 12/28/10.

RECEIVED

FEB 04 2011

NMOC-ARTESIA

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

Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

1/11/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

JAN 30 2011

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, 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.

CARL SPAN FIELD OFFICE

NDS DJS

SPUD @ 14:00 HRS ON 12/13/10, Drill 14-3/4" Surface Hole to 685'

RIH W/ 11-3/4" 42# H-40 SURFACE CASING & SET @ 685'

1 - TEXAS PATTERN GUIDE SHOE 685 - 684.65

1 - SHOE JOINT 684.65 - 641.40

1 - FLOAT COLLAR 641.40 - 640.10

16 - 11-3/4" CASING 691.72 TO SURFACE

CEMENT W/ PUMP 20 BBL GEL SPACER, 570 SKS (137 BBL) PREMIUM PLUS + 2% CALCIUM CHLORIDE, 14.8 PPG, YLD-1.35, GPS-6.39, 137 BBL SLURRY @ 6 BPM. DISPLACE WITH 77 BBLs OF BRINE @ 6 BPM. FINAL PRESS @ 2 BPM 220 PSI, BUMP PLUG @ 12:15 WITH 200 OVER TO 420 PSI. HELD PRESS FOR 10 MINUTES. BLEED OFF PRESSURE, FLOATS HELD BLEED .50 BBLs OK. CIRCULATED 278SX (67 BBLs) CEMENT TO SURFACE.

WAIT ON CMT 12 HRS & PREPARE TO NIPPLE UP, GATHER UP NEW BHA, STRAP & CALIPER.

ROUGH CUT 11.75" CASING, LAY DOWN CUT OFF, & CONDUCTOR, FINAL CUT AND DRESS FOR INSTALLING WELLHEAD,

INSTALL 13 5/8" SLIP ON WELLHEAD, TEST TO 782 PSI FOR 10 MINS, GOOD TEST

NIPPLE UP BOP'S

INITIATE ACCUMULATOR TEST 30 MIN. (PASSED).

ALL COMPONENTS AS FOLLOWS WERE TESTED AT 250PSI LOW FOR 10MIN AND 1386PSI HIGH FOR 30MIN.

TEST #1 CHOKE VALVES # 2,5,6,7, INSIDE KILL VALVE #1, BLIND RAMS

TEST #2 HYDRAULIC CHOKE, MANUAL CHOKE OUTSIDE KILL VALVE BLINDS

TEST #3 CHOKE VALVES #1,3, BLINDS, KILL LINE CHECK VALVE.

TEST 4 - HCR - PIPE RAMS - CHECK VALVE

TEST 5 - MANUAL HCR VALVE - PIPE RAMS - CHECK VALVE

TEST 06 - ANNULAR - MANUAL HCR - CHECK VALVE

TEST 07 - 4" VALVES ON MUD PUMPS AND MUD LINES

TEST 08 - MANUAL TOP DRIVE TEXAS IRON WORKS VALVE

TEST 09 - FLOOR TIW VALVE

TEST 10 - DART VALVE

ALL PRESSURE TEST PASSED GOOD AND COMPLETED

10 MINUTES OF REQUIRED PRESSURE ON ALL TESTS - ALL TESTS ARE DOCUMENTED AS PER OXY AND BLM REQUIREMENTS

THE FOLLOWING TEST WERE RETESTED TO @ 250 PSI LOW, AND 1386 PSI HIGH AND HELD FOR 30 MINUTES EACH ANNULAR, HCR, CHECK VALVE,

RETEST 10 ANNULAR - 11 3/4" CASING - 4" HCR - 2" CHECK VALVE 250 PSI LOW, 1,386 PSH HIGH FOR 30 MINUTES.

TEST 9 PIPE RAMS - 11 3/4" CASING - 4" INSIDE MANUAL VALVE - 2" OUTSIDE MANUAL KILL VALVE 250 PSI LOW, 1,386 PSI HIGH FOR 30 MINUTES

TEST 10 BLINDS - 11 3/4" CASING - 4" MIDDLE CMV - 2" LEFT AND RIGHT CHOKE SIDE MANUAL VALVES - 2" INSIDE KILL MANUAL VALVES 250 PSI LOW, 1,386 PSI HIGH FOR 30 MINUTES. ALL TESTS GOOD.

TESTED CSG. TO 1386 PSI FOR 30 MIN. (TEST GOOD)

DRILL SHOE TRACK USING REDUCED PARAMETERS, 400 GPM, 40 SRPM, 64 MM RPM DRLG OUT CMT. FLOAT COLLAR @ 640', CSG SHOE @ 685' AND 10' NEW HOLE @ 685'. CIRC HOLE CLEAN MW 9.7 IN 9.7 OUT.. SPOT LCM PILL ON BTM. CIRCULATE MUD WT. IN AND OUT TO PERFORM FORMATION INTEGRITY TEST. PERFORM FIT TO EMW 13.0 PPG., 120 PSI WITH 9.7 MW TEST SUCCESSFUL

DRILL 10-5/8" INTERMEDIATE HOLE TO 3911'

RIH W/ 8-5/8" 32# J-55 INTERMEDIATE CASING TO 3911'

1 - TEXAS PATTERN GUIDE SHOE 3911.00 - 3909.80

2 - SHOE JOINT 3909.80 - 3825.74

1 - FLOAT COLLAR 3825.74 - 3824.24

91 - JOINTS 8-5/8" CASING 3824.24 TO SURFACE

CEMENT USING:- 20 BBL GEL SPACER - 880 SKS (295 BBLs) 12.9 PPG 1.88 YIELD CU FT. SK, 9.35 GAL/SK, PUMP AT 6.5 BPM LEAD CEMENT, FOLLOWED BY 200 SKS (48 BBLs) 14.8 PPG 1.34 CU FT. SK, 6.38 GAL SK, PUMP AT 6 BPM TAIL CEMENT

DISPLACE W/ 233 BBLs F/W. CIRCULATE 120 BBLs (373 SKS) TO PITS, BUMP PLUG 500 PSI OVER (1400 PSI) HELD PRESSURE FOR 10 MIN., BLEED BACK 1 BBLs, FLOATS HELD

FLUSH OUT B.O.P., SHAKERS MANIFOLD, CHOKE MANIFOLD AND LINES WITH F/W. CLOSE ANNULAR AND PRESSURE UP TO 200 PSI, LEAVE WELL SHUT IN FOR 6 HRS. PRESSURE BLEED BACK TO 40 PSI, WOC

NIPPLE UP B.O.P., LINES AND RELATED EQUIPMENT, ACCUMULATOR LINES, INSTALL FLOW LINE SENSOR, CHARGE ACCUMULATOR

NOTIFIED BLM OF IMPENDING B.O.P. TEST TALKED TO RICHARD CARRASCO

CONTINUE TO NIPPLE UP BOP, LINES AND RELATED EQUIPMENT

INITIATE ACCUMULATOR TEST 15 MIN. (PASSED).

ALL COMPONENTS AS FOLLOWS WERE TESTED AT 250 PSI LOW FOR 10 MIN

BQP HIGH 5000 PSI, ANNULAR HIGH 3100PSI, STAND PIPE AND LINES TO 3500PSI
TEST #1 CHOKE VALVES # 2,5,6,7, INSIDE KILL VALVE #1, BLIND RAMS
TEST #2 HYDRAULIC CHOKE(FAILED), MANUAL CHOKE OUTSIDE KILL VALVE BLINDS
TEST #3 & 4 CHOKE VALVES #1,3, BLINDS, KILL LINE CHECK VALVE.
TEST 5 - MANUAL HCR VALVE - PIPE RAMS - CHECK VALVE
TEST 06 - ANNULAR - MANUAL HCR - CHECK VALVE
TEST 07 - 4" VALVES ON MUD PUMPS AND MUD LINES
ALL TEST GOOD EXCEPT POWER CHOKE
TEST 08 - MANUAL TOP DRIVE TEXAS IRON WORKS VALVE
TEST 09 - FLOOR TIW VALVE
TEST 10 - DART VALVE

ALL TEST GOOD EXCEPT POWER CHOKE, RE-TEST POWER CHOKE (FAILED)
PICK UP SCORPION MAKE UP BIT TO MOTOR, PICK UP AND SCRIBE DIRECTIONAL TOOLS, INSTALL AND TEST MWD TOOL,
TEST GOOD. CONTINUE TO TRIP IN HOLE, STRAP PIPE GOING IN HOLE, FILL PIPE EVERY 25 JT'S, TAG CEMENT @3870 FT.,
LAY OUT 1 JT. FILL PIPE, CIRCULATE OUT AIR, TEST CASING TO 2050 PSI FOR 30 MIN, GOOD TEST, PERFORMED CHOKE
DRILL, INSTALL ROTATING HEAD. CIRCULATE MW 8.4PPG, IN AND OUT PERFORM FIT TO EMW 10.4 PPG, 410 PSI, GOOD
TEST

DIRECTIONALLY DRILL 7-7/8" PRODUCTION HOLE TO 8287' M 8101'V
LOGGING WITH SCHLUMBERGER WIRELINE. DEPTH OF 8286' TO 3911FT. HNGS / HRLA CNL /LITHO-DEN /CMR
RIH W/ 5-1/2" 17# J-55 LTC PRODUCTION CASING & SET @ 8287'

1 FLOAT SHOE 8287' - 8285.50'

2 JOINTS 5.50" 17# J-55 CASING 8285.50' - 8242.05'

1 FLOAT COLLAR 8242.05 - 8199.02'

54 JOINTS 5.50" 17# J-55' 8199.02- 5889.20'

1 5.50 HYDRAULIC STAGE TOOL 5889.20' - 5886.66

44 JOINTS 5.50" 17# J-55 5886.66' - 3977.75'

1 5.50 DAVIS/LYNCH STAGE TOOL AND PACKER 3977.75' - 3952.08'

93 JOINTS 5.50" 17# J-55 3952.08' TO SURFACE

CONTINUE TO RUN 5.5" CASING, WASH LAST TWO JOINTS TO BOTTOM F/8243' TO TD @8287' PUMPING 8 BPM TAGGED
BOTTOM PRESSURE SPIKED FROM 350PSI TO 2200PSI. WHILE WASHING TO BOTTOM PRESSURE DROPPED OFF RAPIDLY,
CASING JUMPED AS IF DV TOOL OPENED. DAVIS LYNCH RECOMMENDATION TO INSURE DV TOOL DID NOT OPEN IS TO
PERFORM FLUID CALIPER LOG. USED RED DYE TO CHECK DV TOOL CLOSED PUMPED 7554 STROKES TO GET RED DYE
BACK. ALL OK DV TOOL IS CLOSED.

CEMENT 1ST STAGE PER PROGRAM. PUMP 20 BBL GEL F/W SPACER, 500 SKS (143 BBL) SUPER H + .05% HALAD(R)-344 +
.04% CFR-3 + 5 LBM GILSONITE + 1 LBM SALT + 0.3% HR-800 + 0.125 LBM POLY-E-FLAKE @ 8 BPM. 13.2# YLD-1.61, GPS-7.83,
DROP PLUG, WASH UP LINES, DISPLACE WITH 190 BBLS H2O- WITH RED DYE, 190 BBLS F/W @ 8 BPM. BUMP PLUG WITH 500
PSI OVER. CHECK FLOATS 2 BBLS BACK, OK, OPEN DV TOOL WITH 2800 PSI. CONTINUE WITH FIRST STAGE CEMENT,
BUMPED PLUG W/ 500 PSI OVER. CIRCULATED OFF STAGE TOOL WITH MUD W/ HALIBURTON UNIT TO GET CEMENT
RETURNS. CIRCULATED 160 SKS OF CEMENT TO PITS.

CEMENT 2ND STAGE PER PROGRAM. PUMP 20 BBL F/W GEL SPACER 8.34 PPG @ 8 BPM, 630 SKS (181 BBLS) SUPER H
CEMENT + 0.5% HALAD(R)-344 + 0.4% CFR-3 + 5 LBM/SK GILSONITE + 1 LBM/SK SALT + 0.125 LBM/SK POLY-E-FLAKE @ 8 BPM,
13.2 # YLD-1.61, GPS-7.82, DROP PLUG, WASH UP LINES, DISPLACE WITH 60 BBLS H2O- WITH RED DYE, 76.5 BBLS B/W @
8BPM, BUMP PLUG WITH 500 PSI OVER. CHECK BACK FLOW OK, 1.5 BBLS BACK DROP BOMB WAIT 25 MIN PRESSURE UP TO
650 PSI TO INFLATE POST, CONTINUE TO PRESSURE UP TO 1735 PSI TO OPEN. CIRC TO SURFACE 85 BBLS CEMENT (296SKS
) TO SURFACE.

CEMENT 3RD STAGE PER PROGRAM, PUMP 20 BBLS F/W GEL SPACER 8.3 PPG @ 5 BPM, LEAD 380 SKS (139 BBL) LIGHT
PREMIUM PLUS + 3 LBM SALT, 12.4 PPG, YLD-2.05, GPS-11.39 @ 6 BPM, FOLLOWED BY TAIL 150 SKS, (36 BBL) PREMIUM PLUS
CLASS C + 5 LBM GILSONITE + 0.125 LBM POLY-E-FLAKE @ 6 BPM, YLD-1.33, GPS-5.81, DISPLACE WITH 92 BBL FRESH
WATER, BUMP PLUG AND PRESSURE TO 200 PSI TO CLOSE POST OK. 1 BBL BACK. CIRC 37.5 BBLS (103 SKS) CMT TO
SURFACE.

MAKE FINAL CUT ON 5 1/2". NIPPLE UP TUBING HEAD. TEST TUBING HEAD TO 3,400 PSI FOR 15 MIN. RIG DOWN CRT, JET
PITS, RIG UP TRAVELING JOINT. RIG RELEASED AT 00:00 12/28/10