

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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

3b. Phone No. (include area code)
432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
S - 845 FNL 887 FWL NWNW(S) Sec 3 T22S R31E
PBH - 680 FSL 1957 FEL SWSE(O) Sec 3 T22S R31E

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 Federal #26

9. API Well No.
30-015-40769

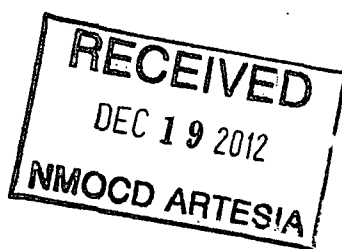
10. Field and Pool, or Exploratory Area
Lost Tank Wolfcamp

11. County or Parish, State
Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

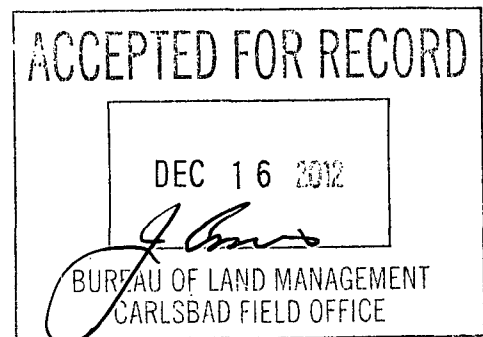
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <i>Spud, set csg, cmt, test, S&2.</i>
	<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 recomple 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 recomple 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 site is ready for final inspection.)



See Attached.

Accepted for record
NMOC D



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

Title **Regulatory Advisor**

Signature

[Signature]

Date

11/30/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Date

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)

Lost Tank 3 Federal #26

Spud 17-1/2" hole 11/23/12, drill to 750'. RIH & set 13-3/8" 48# H-40 STC csg @ 750', cmt w/ 420sx (129bbl) PPC 13.5ppg followed by 420sx (101bbl) 14.8ppg all w/ additives, circ 376sx (115bbl) cmt to surf. Bumped plug, pressured up to 480#, pressure dripped to 100#, pumped 1bbl did not regain pressure, decision was made to leave cement head on casing and WOC per BLM requirements. Pump 200sx (48bbl) PPC, 14.8ppg, brought cmt to surface, pumped 70sx (16.8bbl) into cellar, WOC. NU & Test BOP's @ 250# low 5000# high. 11/27/12, RIH & tag cmt @ 520', test csg in increments of 300#, 800#, 1210#.holding each stage for 5min, pressure was bleeding off avg of 45#/5min.

AFTER DRILLING OUT CMT FROM 520' TO TOP OF FLOAT COLLAR AT 707' PRESSURE TESTED 13-3/8" CSG, FIRST STAGE TO 600#, PRESSURE STARTED BLEEDING OFF IMMEDIATELY, HELD FOR 12min PRESSURE DROPPED TO 540# PRESSURED UP TO PLANNED @ 1,210 AS REQUIRED BY BLM, HELD FOR 1min THEN BEGAN BLEEDING OFF RAPIDLY TO 480#, SECOND ATTEMPT WAS MADE PUMPING AT 10 SPM (1BBL/MIN) PRESSURE WOULD NOT STAY ABOVE 750 PSI. DECISION WAS MADE PER BLM TO RUN A CCL AND A MULTI ARM CALIPER LOG.

WAITING ON LOGGING EQUIPMENT TO RUN CCL AND MULTIARM CALLIPER LOGS ON 13-3/8 CSG, CONTINUE WAITING ON WIRELINE EQUIPMENT. TRIP IN HOLE WITH OPEN END DRILL PIPE TO 692'. PUMPED 10 BBL H2O, 200SKS PREMIUM PLUS AT 14.8 PPG WITH 1% CACL 0.3% HALAD-23 (48 BBLs), DISPLACMENT 1 BBL H2O + 4 BBL BRINE. TRIP OUT OF HOLE TO 300 FT, CIRCULATE BOTTOMS UP, CLEAN OUT PIPE WITH 110 SPM, 422 GPM, PERFORM CEMENT HESITATION SQUEEZE WITH RIG PUMPS ,1,000 PSI, -1,100,-1,200 PSI, .91 BBL CEMENT SQUEEZED.W.O.C HOLD PRESSURE 6 HRS FROM 22:00 TO 04:00 PRESSURE BLEED OFF FROM 1200 PSI TO 580 PSI.

PRESSURE TEST CASING TO 1000 PSI, 85 PSI BLEED OFF IN 30 MIN.

PULL WARE BUSHING, INSTALL TEST PLUG, PRESSURE TEST BLIND RAMS TO TEST PLUG TO 1000 PSI, 82 PSI BLEED OFF IN 30 MIN.

PRESSURE TEST 2" KILL LINE FROM PUMPS TO INSIDE KILL LINE VALVE TO 1000 PSI, NO BLEED OFF 10 MIN.

PRESSURE TEST BLIND RAMS TO TEST PLUG TO 1000 PSI, NO BLEED OFF IN 30 MIN.

PRESSURE TEST IN BETWEEN LOWER PIPE RAMS AND TEST PLUG TO 5000 PSI, GOOD 10 MIN TEST.

PRESSURE TEST IN BETWEEN UPPER PIPE RAMS AND TEST PLUG TO 5000 PSI, TEST FAILED, REPAIR CHECK VALVE AND PACKING GLAND.

RETEST IN BETWEEN UPPER PIPE RAMS AND TEST PLUG TO 5000, GOOD 10 MIN TEST. PULL TEST PLUG, INSTALL WARE BUSHING.

PRESSURE TEST CASING TO 1000 PSI, 50 PSI BLEED OFF IN 15 MIN.

TRIP IN HOLE WITH SLICK 12.25" BHA FROM SURFACE TO 395', TAG TOC, DRILL OUT HARD CEMENT FROM 395' TO 700', SWEEP AND CIRCULATE CASING CLEAN, PRESSURE TEST CASING AS FOLLOWS:

EACH TEST BROUGHT UP TO 1,200 PSI AND HELD FOR 30 MIN.

1st TEST SHOWED 30% PRESSURE LOSS F 1,198 PSI TO 827 PSI

2nd TEST SHOWED 23% PRESSURE LOSS F 1,185 psi to 906 psi

3rd TEST SHOWED 25% PRESSURE LOSS F 1,237 psi to 931 psi

TOH F/ 700' TO SURFACE W/ CLEAN OUT ASSEMBLY.

TRIP IN THE HOLE WITH DRILL PIPE PACKER. SET PACKER AT 571'. PRESSURED UP THE ANNULAR TO 1050 PSI.

PRESSURE HELD. PRESSURED UP THROUGH THE DRILL PIPE TO 1080 PSI. PRESSURE DROPPED TO 785 PSI IN 10 MINUTES. IDENTIFIED POSSIBLE LEAK AT 594'.

PLAN FORWARD IS TO SET A RETREIVABLE BRIDGE PLUG AT 400' FOR TEMPORARY ABANDONMENT. A WELLHEAD CAP AND A PRESSURE GAUGE ON THE CASING VALVE WILL ALSO BE INSTALLED. RIG WILL BE LAID DOWN AND WILL MOVE TO THE NEXT LOCATION. A WORKOVER UNIT WILL BE MOVED TO THE LOST TANK 3 FED 26 TO PERFORM FURTHER REMEDIAL WORK.