

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

RECEIVED

NOV 12 2013

CARLSBAD

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

5. Lease Serial No.
NMNM89819

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
PATTON 18 FEDERAL 8H

9. API Well No.
30-015-41343-00-X1

10. Field and Pool, or Exploratory
COTTON DRAW

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
OXY USA INCORPORATED

Contact: DAVID STEWART

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T24S R31E SWSE 150FSL 1700FEL

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

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| <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 shall 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 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.)

OXY USA Inc. respectfully requests to repair the leak on the DV tool with a Well-Lock product from Halliburton which we are confident due to the nature of the liquid resin polymer network without any particulates will seal the leak and develop into a cement with adequate compressive strength and ductile qualities which will enable the cement seal to withstand the pressure of a fracture treatment and production of hydrocarbons. Pending the remediation and positive pressure test, we request to complete this well as outlined below. Documentation of Well-Lock and the CBL-VDL was submitted electronically for review on 9/16 and 9/5 respectively; the hard copies of the CBL will be submitted with completions reports. This notice of intent has also been requested to review the plan forward for this well's remediation and completion. Additional safety factors have been considered and included in this proposed plan to provide reasonable assurance that well stimulation activities are conducted as designed, and stimulation fluids are going to the formation for which they were intended.

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #221149 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by JOHNNY DICKERSON on 09/26/2013 (13JLD1433SE)

Name (Printed/Typed) JOEMAIN SPEARS

Title COMPLETIONS ENGINEER

Signature (Electronic Submission)

Date 09/25/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

Date 11/06/2013

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 Carlsbad

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

NOV 6 2013

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Accepted for record

109 NMOC

11/6/13

Additional data for EC transaction #221149 that would not fit on the form

32. Additional remarks, continued

OBJECTIVE: Repair the leaking DV-Tool and pressure test casing as per BLM requirements. Following successful pressure test which can be witnessed by BLM representatives, proceed to stimulate and complete horizontal 2nd Bone Springs well in 6 stages w/ 4 entry points per stage. Frac method will be Plug & Perf.

JOB NOTES ON EXECUTION:

Operator will continuously monitor and record the pressure(s) during the well stimulation operations.

Pressure will be contained in the string through which the stimulation is being pumped (5-1/2", 20#, L-80 casing)

Annulus pressure will be monitored throughout job - $5\frac{1}{2}" \times 9\frac{5}{8}"$

If during the stimulation operation the annulus pressure increases by more than 500# over the annulus pressure immediately preceding the stimulation, the job will be shut-down and the BLM notified as soon as possible. Anticipated Treating Rate: 50-60 BPM - Anticipated WHTP: 5650# - Anticipated Maximum Pressure: 6200#

If during the stimulation operation, the WHTP should exceed 6690#, all pumps will be shut-down so as not to apply greater than 7192# on the casing (or no greater than 80% of burst at ANY TIME) and will move on to the next stage.

Treat via: 5-1/2", 20#, L-80 casing (8990# Internal Yield Pressure)

PROPOSED OPERATIONS:

1. MIRU Wireline
2. Set 4.4" OD Peak EZ-Drill Composite Bridge Plug @ 4295' and dump 2sx cement
3. RDMO
4. MIRU Pulling Unit
5. Mix 10 bbls of Well-Lock in batch mixer on location
6. PU 2 7/8" 6.5# Tubing
7. Balance Spot Well-Lock across 4268' through tubing
8. Pull up 1000' above plug and pressure up to required pressure (based on lab testing)
9. Bleed down pressure to 500# and shut-in well for time required to establish compressive strength development
10. Drill-out cement and composite bridge plug and clean-out to PBTD.
11. Pressure test casing to 6293# for 30 min. (BLM representative to witness pressure test, if required)
12. Increase pressure to 7192# and hold for 10 min. (BLM representative to witness pressure test, if required)
13. Make a run with Watermelon Mill.
14. RDMO Pulling Unit
15. MIRU 2" Coiled Tubing Unit
16. PU TCP guns on 2" CT & TIH to perforate the toe ? fire guns hydraulically. Guns are 3.125" SDP-3375-311NT, 21.5gm chg, 0.39" EHD, 35.6" penetration w/ 6 JSPF on 60 degree phasing. Perforate first stage as per design w/ 39 holes. POOH w/ CT. RDMO CT Unit.
17. Set and load frac tanks.
18. RU Frac Unit & WL. Frac stage 1 down casing as per service company frac procedure: Proposed Stage Volumes - 5000gals 15% HCl Acid, 173,700gals gel, 239,000# 20/40 proppant - Proposed Total Job Volumes (6 stages) - 20,000gals 15% HCl Acid, 1,042,200gals gel, 1,434,000# 20/40 proppant.
19. RU WLU and set CBP between stages. Perf the next stage as per design w/ 3.125" Titan EXP-3319-322T charge. 0.39" EHD, 40.56" penetration w/ 6 JSPF on 60 degree phasing, 35 total holes.
20. Repeat steps for stages 2-6

* See
COA

CONDITIONS OF APPROVAL

Sundry dated 09/25/2013

Repair leak at DV tool and completion

OPERATOR'S NAME:	OXY USA INC
LEASE NO.:	NM89819
WELL NAME & NO.:	8H Patton 18 Federal
SURFACE HOLE FOOTAGE:	150' FSL & 1700' FEL
BOTTOM HOLE FOOTAGE:	330' FNL & 1700' FEL
LOCATION:	Section 18, T.24 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico

1. Surface disturbance beyond the existing pad shall have prior approval.
2. Functional H₂S monitoring equipment shall be on location.
3. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
4. Notify BLM 575-200-7902, if there is no response, 575-361-2822 as work begins and provide sufficient time to allow BLM to witness casing integrity test after repairing leak at DV tool. If no answers leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
5. **Operator's procedure Step 11: perform a BLM PET witnessed (charted) casing integrity test. Pressure leakoff may require remediation prior to continuing the frac. Include a copy of the chart in the subsequent sundry for this work.**
6. **Operator shall be required to run CBL/VDL/Ultrasonic Bond Log from lowest attainable depth to surface (this CBL shall be ran after the casing repair). Provide BLM with an electronic copy (Adobe Acrobat Document) of CBL.**
7. All other types of pressure testing of casing shall be chart recorded for 30 minutes and submit a copy of the chart in the subsequent sundry for this work.

Reminder

8. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.

Work to be completed within 90 days
EGF 110613