

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.
NMNM82896

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other: INJECTION

8. Well Name and No.
GILA 12 FEDERAL 2 #

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

9. API Well No.
30-015-36401

3a. Address
P.O. BOX 50250
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 432-685-5717
Fx: 432-685-5742

10. Field and Pool, or Exploratory
POKER LAKE DELAWARE, NW

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 12 T24S R30E SWSE 630FSL 2250FEL
32.226890 N Lat, 103.832950 W Lon

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

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> Recomplete	<input 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.)

Gila 12 Federal #2 ? 30-015-36401

13-3/8" 48# @ 604' w/ 550sx, 17-1/2" hole, TOC-Surf-Circ
9-5/8" 40# @ 4230' w/ 1108sx, 12-1/4" hole, TOC-Surf-Circ
5-1/2" 17# @ 10366' w/ 945sx, DVT @ 5996', 7-7/8" hole, TOC-4000'-CBL

1. MIRU rig.
2. PR&P. LD.
3. P Tbg and LD.

Accepted for record
NMOC D-109
2-12-2014

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED
FEB 12 2014
NMOC D-ARTEZIA

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #204381 verified by the BLM Well Information System
For OXY USA INC, sent to the Carlsbad
Committed to AFMSS for processing by JOHNNY DICKERSON on 04/16/2013 ()

Name (Printed/Typed) DAVID STEWART Title SR. REGULATORY ADVISOR

Signature (Electronic Submission) Date 04/15/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE APPROVED

Approved By _____ Title _____ Date _____
Office _____

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.

APPROVED
FEB 10 2014
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.

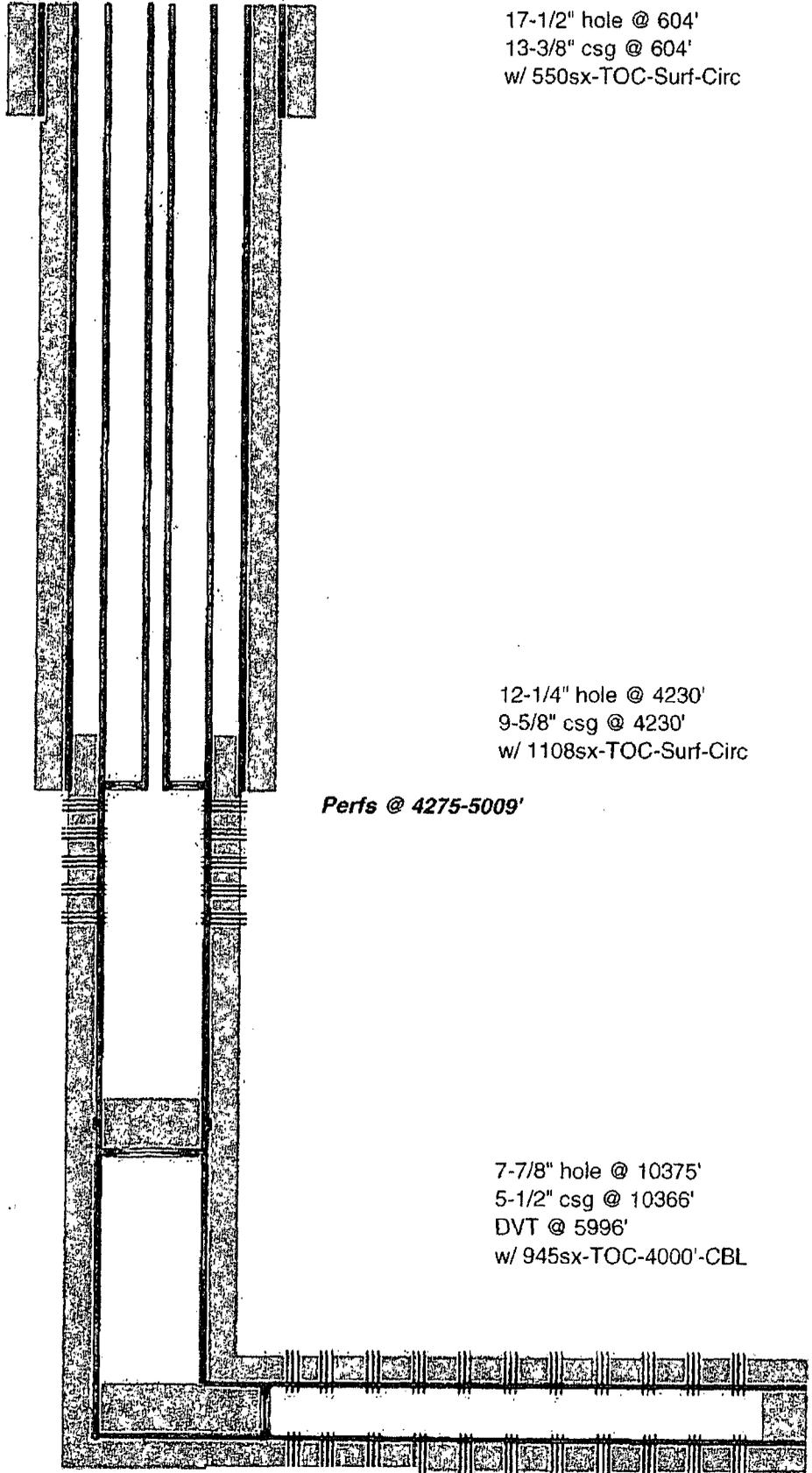
Additional data for EC transaction #204381 that would not fit on the form

32. Additional remarks, continued

4. PU work string, RIH, and set CIBP @ 8250'. POOH w/ WS and remove setting tool.
5. RIH w/ WS and spot 25sx cmt on CIBP @ 8250'. POOH w/ WS.
6. RU WL. RIH and set CIBP @ 6046'. RD WL.
7. RIH w/ WS and spot 25sx cmt on CIBP @ 6046'. POOH w/ WS.
8. Test casing to 3700psi (70% of burst). RD Rig. NU Frac valve.
9. RU WL. PU perf guns, RIH, and perf stage 1 @ 4771-5009'.
10. RU Frac and frac stage 1 down casing per Halliburton frac prog.
11. RIH w/ WL and set CBP @ 4700'. POOH.
12. PU perf guns, RIH, and perf stage 2 @ 4498-4643'.
13. Frac stage 2 per attached Halliburton frac prog.
14. RIH w/ WL and set CBP @ 4470'. POOH.
15. PU perf guns, RIH, and perf stage 3 @ 4353-4428'. RD WL.
16. Frac stage 3 per attached Halliburton frac prog. RD Frac.
17. RU rig, PU WS. Mill out plugs and clean out frac to PBDT w/ rig. RD Rig.
18. Flow back well to frac tanks to clean up all perforation debris. Truck water from site for disposal at a commercial facility.
19. RU WL and re-perforate entire interval @ 4275-5009'. POOH.
20. RIH w/ WL. Set injection packer @ +/-4225 w/ plug in profile nipple. POOH. RD WL.
21. RU Rig. RIH w/ injection tubing and BHA and circulate packer fluid.
22. Run an MIT pressure test on the well with a witness from the OCD. RD rig. NU WH.
23. Place well on injection and report results to engineer.

WARNING: A POISONOUS GAS HYDROGEN SULFIDE (H₂S) A HIGHLY TOXIC COLORLESS GAS THAT IS HEAVIER THAN AIR MAY BE PRESENT AT THIS LOCATION AND/OR PRESENT IN THE GAS AND LIQUIDS INJECTED OR PRODUCED FROM THIS WELL. PLANS MUST BE REVIEWED DEALING WITH H₂S SAFETY PRIOR TO WORKING ON THIS WELL. CHECK WITH FOREMAN CONCERNING LOCAL CONDITIONS.

OXY USA Inc. - Proposed
Gila 12 Federal #2H
API No. 30-015-36401



17-1/2" hole @ 604'
13-3/8" csg @ 604'
w/ 550sx-TOC-Surf-Circ

2-7/8" 6.5# J55 composite tbg &
nickel plated Arrow Set pkr @ 4225'

12-1/4" hole @ 4230'
9-5/8" csg @ 4230'
w/ 1108sx-TOC-Surf-Circ

Perfs @ 4275-5009'

CIBP @ 6046' w/ 25sx to 5885' WOC-Tag

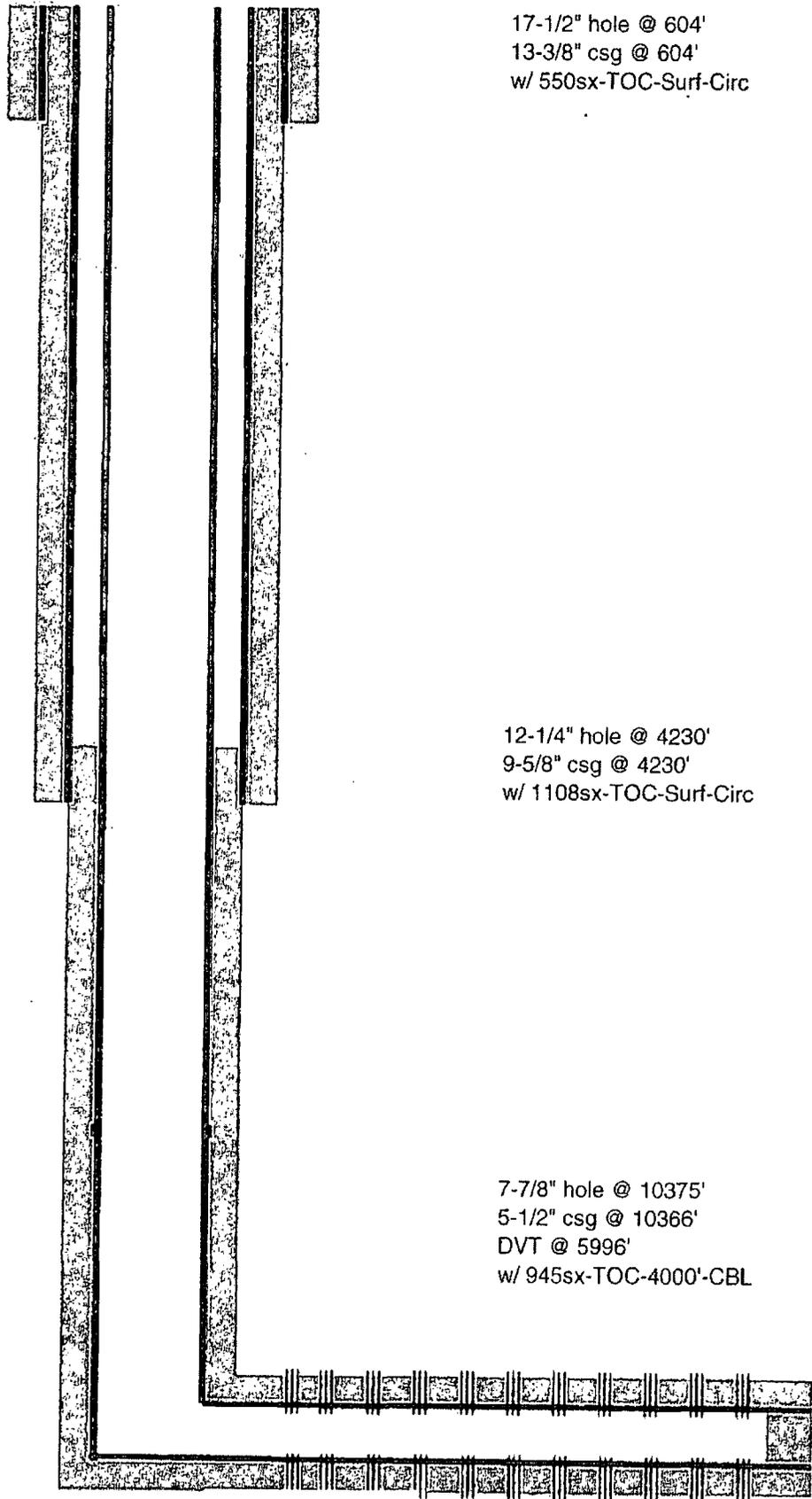
7-7/8" hole @ 10375'
5-1/2" csg @ 10366'
DVT @ 5996'
w/ 945sx-TOC-4000'-CBL

CIBP @ 8250' w/ 25sx

Perfs @ 8300-10300'

TD-10375'M 7950'V

OXY USA Inc. - Current
Gila 12 Federal #2H
API No. 30-015-36401



17-1/2" hole @ 604'
13-3/8" csg @ 604'
w/ 550sx-TOC-Surf-Circ

12-1/4" hole @ 4230'
9-5/8" csg @ 4230'
w/ 1108sx-TOC-Surf-Circ

7-7/8" hole @ 10375'
5-1/2" csg @ 10366'
DVT @ 5996'
w/ 945sx-TOC-4000'-CBL

Perfs @ 8300-10300'

TD-10375'M 7950'V

Conditions of Approval

Oxy USA Inc
Gila - 02H
API 3001536401, T24S-R30E, Sec 12

1. **1st plug shall be tagged. Plug to be a minimum of 185' in length.**
2. **2nd plug shall be tagged. Plug to be a minimum of 160' in length.**
3. Operator shall submit an evaluation of existing logs and shall perform production tests to verify that the injection formations(s) cannot produce paying quantities. Should multiple formations be opened and a swab test of all formations produce oil, each formation is to be isolated and tested.
4. That evaluation is to be reviewed by BLM prior to initiating injection.
5. Subject to like approval by the New Mexico Oil Conservation Division.
6. Notify BLM 575-200-7902 Eddy Co. as work begins. Some procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
7. Casing added or replaced requires a prior notice of intent (BLM Form 3160-5) approval of the design.
8. **Provide BLM with an electronic copy (Adobe Acrobat Document) of the cement bond log record ran 09/12/2008. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**
9. Surface disturbance beyond the existing pad shall have prior approval.
10. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
11. Functional H₂S monitoring equipment shall be on location.
12. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. A ram system including a blind ram and pipe ram(s) designed to close on all of the work string(s) used is required equipment. Manual BOP closure (hand wheels) equipment shall be available on location. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
13. 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.

14. The operator will be required to tag fracture material with a tracer and run a tracer survey to verify that the fracture material is not placed out of zone. Results of the tracer to be reported on the workover subsequent sundry Form 3160-5.
15. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry. File the subsequent sundry for the frac separately if it is delayed as much as 20 days.
16. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
17. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.
18. Approval is granted for disposal of water produced from the lease or communitization/unit agreement of this well only. An additional request (including authorization from the surface owner) is required for the well to receive other disposal fluids.
19. Approval is granted for disposal of water produced by the operator from the Delaware formations. Disposal of water from other sources requires that the well be designated as a commercial disposal well and requires further **BLM approvals**.

An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in **paying quantities** or of service use.

20. Submit evidence to support your determination that the well has been returned to active "beneficial use" for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies) before 03/30/2014.
21. Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

Well with a Packer - Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed

as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.

- 4) Make arrangements 24 hours before the test for BLM to witness. In Eddy County email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902, if there is no response, 575-361-2822. If no answer, 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) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
- 6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
- 7) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
- 8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
 - a) Approved injection pressure compliance is required.
 - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
- 11) **Records indicate the production casing cement does not overlap the intermediate a minimum of 500 feet as required within designated Secretary's Potash sections. It is necessary that the well's production casing/tubing annulus be maintained full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air packer fluid level is necessary.**
- 12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 13) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 14) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of Opsia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.

15) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List daily descriptions of any previously unreported wellbore workover(s) and reason(s) the well annular fluid was replaced.

CRW/PRS 021014

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.

Annular Packer Fluid Level above the casing vent, open to the air, and visible.

