

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.

OCD Artesia

5. Lease Serial No. NMNM82993
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. NMNM84628
8. Well Name and No. GOVERNMENT U 2
9. API Well No. 30-015-26402-00-S1
10. Field and Pool, or Exploratory N BURTON FLAT
11. County or Parish, and State EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator OXY USA WTP LIMITED PTNRSHIP	
Contact: DAVID STEWART E-Mail: david_stewart@oxy.com	
3a. Address MIDLAND, TX 79710-0250	3b. Phone No. (include area code) Ph: 432-685-5717 Fx: 432-685-5742
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T20S R28E SENW	

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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection
	<input checked="" 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 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.)

Plugback Procedure

- MIRU PU. ND X-Mas Tree. NU BOP.
- POH 2-3/8" killing string.
- RIH overshot and engage 2-3/8" tbg at 8428'.
- Unset pkr. POH LD 2-3/8" tbg.

Plug and abandon Morrow-Atoka-Strawn

- RIH 2-7/8" tbg open ended to 10952'
- M&P 110sx CI H cmt @ 15.6 ppg from 10952-10080'. Flush the tbg twice the tbg capacity with 10ppg mud and pull up 640'. WOC for 4 hrs, then RIH and tag the cement plug. Note depth for OCD

Provide C102 → LED 8/18/15
Accepted for record
NMOOD

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 18 2015

RECEIVED

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #303641 verified by the BLM Well Information System For OXY USA WTP LIMITED PTNRSHIP, sent to the Carlsbad Committed to AFMSS for processing by ED FERNANDEZ on 08/11/2015 (15EF0040SE)	
Name (Printed/Typed) DAVID STEWART	Title SR. REGULATORY ADVISOR
Signature (Electronic Submission)	Date 06/02/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By CHARLES NIMMER	Title PETROLEUM ENGINEER	Date 08/13/2015
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		

APPROVED
AUG 13 2015
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 provide false information to the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #303641 that would not fit on the form

32. Additional remarks, continued

records. POH.

Remedial cementing job for 5-1/2" csg

7. RIH and set CIBP at 9550'.
8. RU Wireline unit with full lubricator.
9. Perforate @ 9500' (total, 4 holes) with 3-1/8" Titan guns with EXP-3323-301T charges (0.43" EH, 23.54" Pen) at 4 SPF and 60 degree phasing. RD wireline unit.
10. RIH 5-1/2" pkr and set at 9450'
11. Pressure up tbg and see if get returns up 9-5/8" and 5-1/2" annulus. POH.
12. RIH cement retainer on 2-7/8" tbg and set at 9450'. Test csg to 500 psi.
13. Sting out and circulate. Sting into retainer and circulation through perforations and out the braden head (with the tbg/csg annulus closed, but monitoring pressure).
14. RU cementing company.
15. Establish circulation.
16. Pump Lead of 1050sx Cl C Light cement (2.0 cu ft/sx, 12.8ppg).
17. Pump Tail of 950sx Cl C with 2% CaCl cement (1.32 cu ft/sx, 14.8 ppg).
18. Flush the tbg.
19. Sting out
20. POOH with 2 stands.
21. Reverse circulate the tbg clean.
22. POOH with the tbg and stinger.
23. WOC, run temperature survey to find the top of cement behind 5-1/2" csg (Estimate at 2500')

Drill out and Test

24. RIH bit and clean to 9450' (PBTD).
25. Close the tbg/csg annulus, pressure test the csg to 250 psi for 10 min, if good test to 500 psi for 30 min.
26. If 500 psi test is definitely good, contact BLM field representative to schedule official MIT.
27. Run MIT test with chart recorder (test to 500 psi for 30 min).
28. POOH and lay down the work string.
29. ND BOP, NU WH, RD PU.

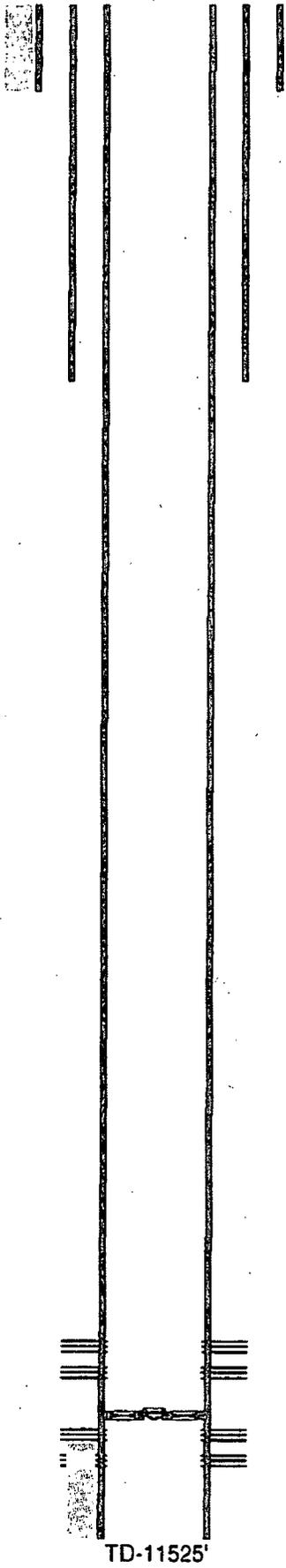
Perforating and frac Bone Spring

30. RU Wireline unit with full lubricator.
31. Perforate Bone Spring formation in the interval 6470-8820'
32. Frac Bone Spring formation with 1000 bbls of X-Link gel with 135000# 20/40 white sand.

Clean the well and run permanent completion

33. MIRU PU. ND X-Mas Tree. NU BOP.
34. RIH bit and clean out the well to PBTD at 9450'. POH.
35. RIH production string with seating nipple and tbg anchor.
36. Set tbg hanger. ND BOP. NU Rod BOP and well head.
37. RIH rod pump. Space out. Install polished rod. Test pump function.
38. RD Well Service Rig.
39. Put the well on production.

• OXY USA WTP LP - Current
Government U #2
API No. 30-015-26402



17-1/2" hole @ 620'
13-3/8" csg @ 620'
w/ 1700sx-TOC-Surf-Circ

12-1/4" hole @ 3000'
9-5/8" csg @ 3000'
w/ 1950sx-TOC-Surf-Circ

7-7/8" hole @ 11525'
5-1/2" csg @ 11525'
w/ 1200sx-TOC-10200'-TS

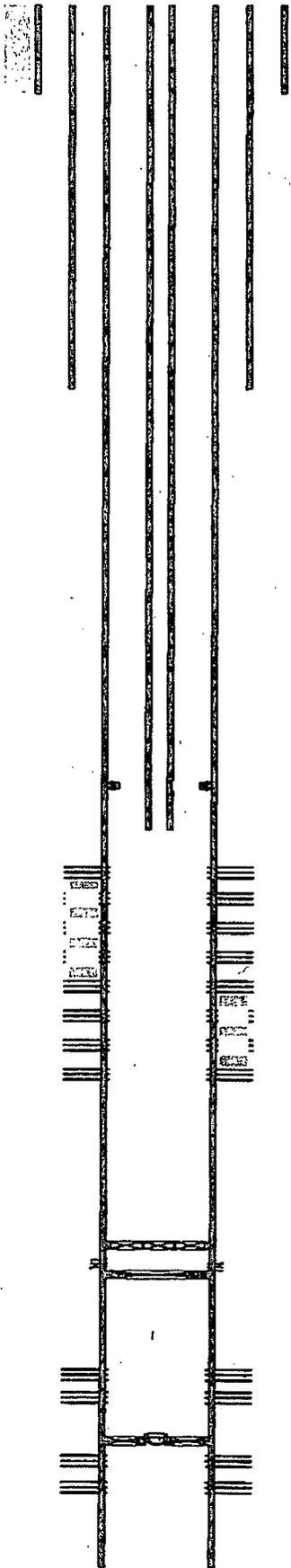
Perfs @ 10391-10798'

Perfs @ 11039-11280'

LS pkr @ 10952' w/ blk plg

TD-11525'

OXY USA WTP LP - Proposed
Government U #2
API No. 30-015-26402



17-1/2" hole @ 620'
13-3/8" csg @ 620'
w/ 1700sx-TOC-Surf-Circ

12-1/4" hole @ 3000'
9-5/8" csg @ 3000'
w/ 1950sx-TOC-Surf-Circ

2-3/8" tbg w/ TAC

Perfs @ 6470-8820'

CIBP @ 9550' w/ CR @ 9450'

Perf @ 9500', sqz 2000sx cmt to +/- 2500'

110sx @ 10952-10080' WOC-Tag

7-7/8" hole @ 11525'

5-1/2" csg @ 11525'

w/ 1200sx-TOC-10200'-TS

S pkr @ 10952' w/ blk plg

Perfs @ 10391-10798'

Perfs @ 11039-11280'

TD-11525

**Government U 2
30-015-26402
Oxy USA WTP LP
August 13, 2015
Conditions of Approval**

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

Work to be completed by November 13, 2015.

- 1. Set solid cement 10952'-10080' WOC-Tag a minimum of 10080' as proposed.**
- 2. Cement remediation as proposed. If TOC is lower than 2500' contact BLM prior to continuing.**
- 3. Operator shall place a balanced class H cement plug from 8825' - 9015' to seal the top of the Wolfcamp formation. WOC.**
- 4. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails**
- 5. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 6. Surface disturbance beyond the originally approved pad must have prior approval.**
- 7. Closed loop system required.**
- 8. All waste (i.e. drilling fluids, 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.**
- 9. Operator to have H2S monitoring equipment on location.**
- 10. A minimum of a 5000 (5M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (5M Diagrams of Choke Manifold Equipment). The accumulator system shall have an**

immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

11. Subsequent sundry required detailing work done and completion report with the new formation. Operator to include well bore schematic of current well condition when work is complete.

12. See attached for general requirements.

CLN 081315

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report; Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.