

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.  
NMNM110831

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.  
NMNM132210

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
BANK 18 FEDERAL COM 1H

2. Name of Operator  
OXY USA INC  
Contact: JENNIFER A DUARTE  
E-Mail: JENNIFER\_DUARTE@OXY.COM

9. API Well No.  
30-015-41447

3a. Address  
PO BOX 4294  
HOUSTON, TX 77210

3b. Phone No. (include area code)  
Ph: 713-513-6640

10. Field and Pool, or Exploratory  
CULERA BLUFF BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 18 T23S R29E NWNW 133FNL 485FWL

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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Off-Lease Measurement
	<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.)

**APPLICATION FOR OFF-LEASE GAS SALES POINT**

Bank 18 Federal Com #1H

OXY USA INC is requesting approval for gas sales point to be off-lease for the Bank 18 Federal Com #1H.

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

SEP 10 2015

Federal Lease NMNM110831 (12.5% Royalty Rate); CA NMNM132210  
POOL: Culebra Bluff Bone Spring, S.  
Well Name Location API BOPD OIL GRAVITY MCFPD BTU BWPD  
Bank 18 Federal Com #1H D-18-23S-33E 3001541447 50 42 200 1285 200

Accepted for record RECEIVED  
WED NMOC 9/23/15

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

**Electronic Submission #296647 verified by the BLM Well Information System  
For OXY USA INC, sent to the Carlsbad  
Committed to AFMSS for processing by LINDA DENNISTON on 07/24/2015 ()**

Name (Printed/Typed) JENNIFER A DUARTE Title REGULATORY SPECIALIST

Signature (Electronic Submission) Date 03/30/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By *J. D. Whitlock* Title *1 PET* Date *9/3/15*

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 *(FO)*

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 #296647 that would not fit on the form**

### **32. Additional remarks, continued**

Attached is a map which displays the Federal lease and well location in NWNW, Section 18, T23S, R29E.

The BLM's interest in the well is 12.5%

Oil & Gas metering:

The tank battery for the Bank 18 Federal Com #1H is located at well location NWNW, Sec 18, T23S, R29E. The production from the well will flow through a two phase production vessel. Oil and water will be sent to a heater treater. The oil production will be sold on lease via tank strapping. Water will be trucked from the facility. The gas will be sold off-lease (\*S/N) after it is measured by Oxy check meter (\*S/N) located on the lease. The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facility.

OXY USA WTP LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

# APPLICATION FOR OFF-LEASE GAS SALES POINT

## Bank 18 Federal Com #1H

OXY USA INC is requesting approval for gas sales point to be off-lease for the Bank 18 Federal Com #1H.

Federal Lease NMNM110831 (12.5% Royalty Rate); CA NMNM132210

POOL: Culebra Bluff Bone Spring, S.

Well Name	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU	BWPD
Bank 18 Federal Com #1H	D-18-23S-33E	3001541447	50	42	200	1285	200

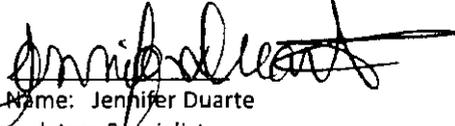
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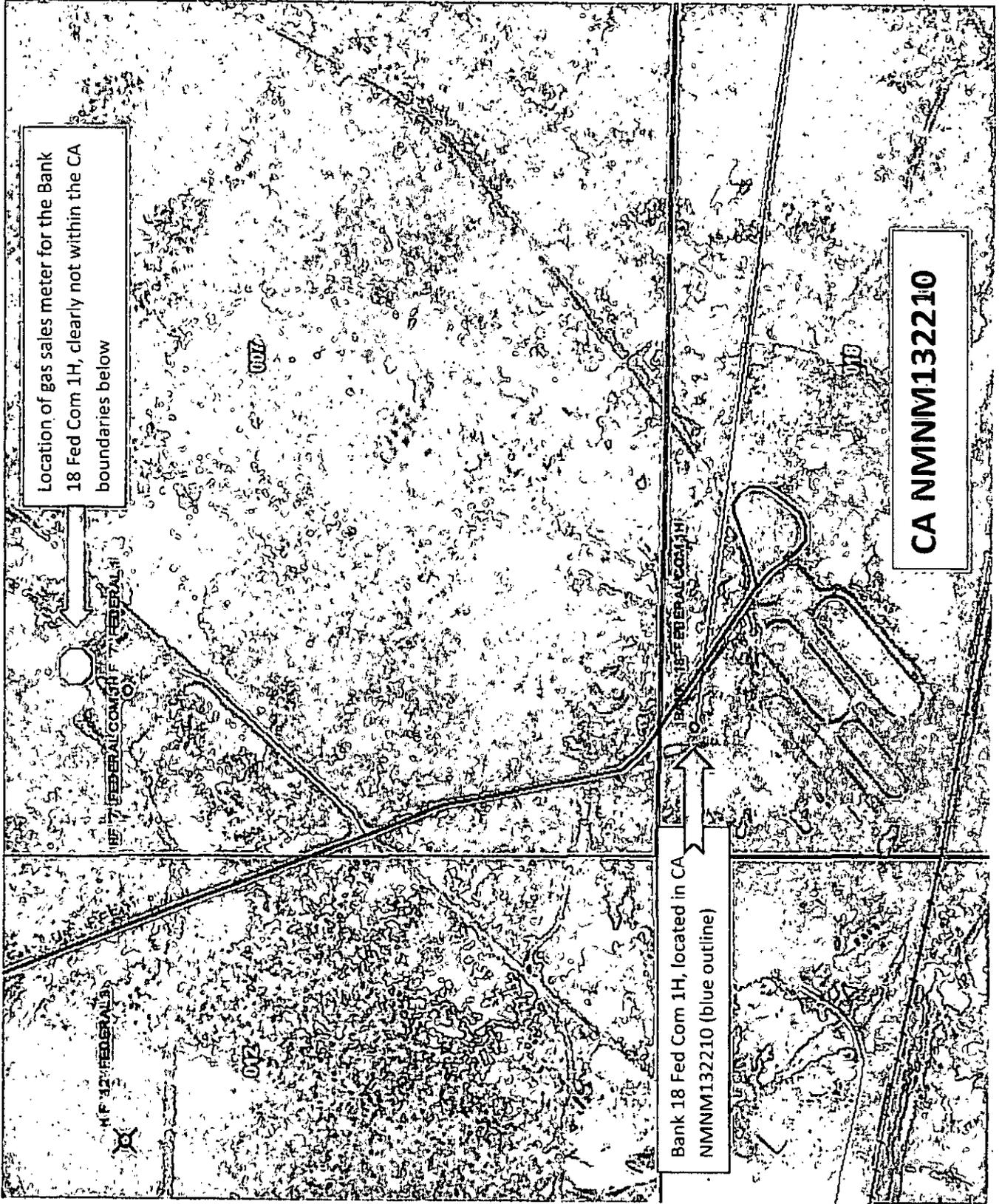
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Signed:   
Printed Name: Jennifer Duarte  
Title: Regulatory Specialist  
Date: 3/30/15

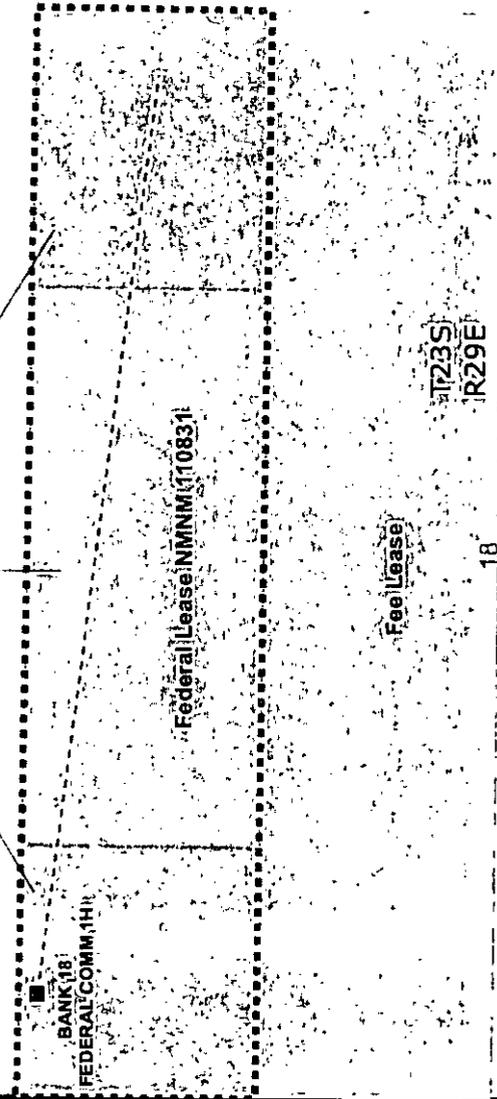
Bank 18 Fed Com 1H  
Off CA measurement of gas

*Other Federal Leases*



# Township 23 South, Range 29 East Eddy County, New Mexico

Bank 18 Federal Com #1H  
CA NMMN 132210



T23S  
R28E



 **Occidental Petroleum**  
5 Greenway Plaza, Houston, TX 77046

North American Datum 1927  
Last Updated: February 24, 2015  
Author: A. Cordas  
File: Commingle\_Bank18\_FedComm1H\_20150224

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 03:22 PM

Page 1 of 2

Run Date: 03/12/2015

01 12-22-1987;101STAT1330;30USC181 ET SE  
Case Type 312021: O&G LSE COMP PD -1987  
Commodity 459: OIL & GAS  
Case Disposition: AUTHORIZED

Total Acres 80.000  
Serial Number NMNM-- - 110831

			Serial Number: NMNM-- - 110831	
Name & Address			Int Rel	% Interest
ECHO PROD INC	PO BOX 1210	GRAHAM TX 76450	LESSEE	100.00000000
LATIGO PETROLEUM INC	15 W 6TH ST #1100	TULSA OK 74119	OPERATING RIGHTS	0.00000000
MARK L SHIDLER INC	1010 LAMAR #500	HOUSTON TX 77002	OPERATING RIGHTS	0.00000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.00000000
TALUS INC	PO BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.00000000
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	OPERATING RIGHTS	0.00000000
TWIN MONTANA INC	PO BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.00000000

								Serial Number: NMNM-- - 110831	
Mer Twp	Rng	Sec	STyp	SNr SUFF	Subdivision	District/Field Office	County	Mgmt Agency	
23	0230S	0290E	018	ALIQ	NWNE,NENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT	

						Serial Number: NMNM-- - 110831	
Act Date	Code	Action	Action Remark	Pending Office			
07/15/2003	387	CASE ESTABLISHED	200307090				
07/16/2003	191	SALE HELD					
07/16/2003	267	BID RECEIVED	\$22400.00;				
08/15/2003	237	LEASE ISSUED					
08/15/2003	974	AUTOMATED RECORD VERIF	BTM				
09/01/2003	496	FUND CODE	05;145003				
09/01/2003	530	RLTY RATE - 12 1/2%					
09/01/2003	868	EFFECTIVE DATE					
09/22/2003	899	TRF OF ORR FILED	ECHO PROD INC;1				
10/24/2003	963	CASE MICROFILMED					
11/24/2003	932	TRF OPER RGTS FILED	1				
12/29/2003	933	TRF OPER RGTS APPROVED	EFF 12/01/03;				
12/29/2003	974	AUTOMATED RECORD VERIF	LR				
04/05/2005	899	TRF OF ORR FILED	1				
04/25/2005	932	TRF OPER RGTS FILED	ALLAR/LATIGO PETROL;1				
07/19/2005	932	TRF OPER RGTS FILED	TALUS/LATIGO PETROL;1				
07/19/2005	932	TRF OPER RGTS FILED	TWIN MONT/LATIGO PE;1				
07/26/2005	933	TRF OPER RGTS APPROVED	EFF 05/01/05;				
07/26/2005	974	AUTOMATED RECORD VERIF	MV				
08/12/2005	933	TRF OPER RGTS APPROVED	01EFF 08/01/05;				
08/12/2005	933	TRF OPER RGTS APPROVED	02EFF 08/01/05;				
08/12/2005	974	AUTOMATED RECORD VERIF	LR				
03/06/2007	932	TRF OPER RGTS FILED	STRATCO O/MARK L SH;1				
05/02/2007	933	TRF OPER RGTS APPROVED	EFF 04/01/07;				
05/02/2007	974	AUTOMATED RECORD VERIF	MV				
03/31/2008	932	TRF OPER RGTS FILED	LATIGO PETR/OXY USA;1				
05/13/2008	933	TRF OPER RGTS APPROVED	EFF 04/01/08;				
05/13/2008	974	AUTOMATED RECORD VERIF	ANN				
01/08/2009	932	TRF OPER RGTS FILED	LATIGO PETR/OXY USA;1				
04/22/2009	933	TRF OPER RGTS APPROVED	EFF 02/01/09;				
04/22/2009	974	AUTOMATED RECORD VERIF	MV				
06/01/2013	677	SUS OPS OR PROD/PMT REQD	/A/				

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

Certified Mail - Return Receipt Requested  
70142120000148695457

Hand Delivered Received by

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

### NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
ID	
Lease	NMNM110831
CA	NMNM132210
Unit	
PA	

Bureau of Land Management Office <b>CARLSBAD FIELD OFFICE</b>				Operator <b>OXY USA INCORPORATED</b>			
Address <b>620 E GREENE STREET CARLSBAD NM 88220</b>				Address <b>5 GREENWAY PLAZA STE 110 HOUSTON TX 77046-0521</b>			
Telephone <b>575.234.5972</b>				Attention			
Inspector <b>HUGHES</b>				Attn Addr			
Site Name <b>BANK 18 FEDERAL COM 1H</b>	Well/Facility/FMP <b>1H</b>	1/4 1/4 Section <b>NWNW 18</b>	Township <b>23S</b>	Range <b>29E</b>	Meridian <b>NMP</b>	County <b>EDDY</b>	State <b>NM</b>
Site Name <b>BANK 18 FEDERAL COM</b>	Well/Facility/FMP <b>1H</b>	1/4 1/4 Section <b>NWNW 18</b>	Township <b>23S</b>	Range <b>29E</b>	Meridian <b>NMP</b>	County <b>EDDY</b>	State <b>NM</b>

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
12/11/2014	13:00	005.III.C.21.	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
01/23/2015			43 CFR 3163.1()

Remarks  
SALES METER 718779-00 IS LOCATED OFF OF THE COMM AGREEMENT AREA. SUBMIT REQUEST FOR PERMISSION TO MEASURE GAS OFF OF THE COMM AGREEMENT AREA TO THIS OFFICE NO LATER THAN 1/23/15. BLM POC: JIM HUGHES 575-234-5950

When violation is corrected, sign this notice and return to above address

Company Representative Title Regulatory Specialist Signature [Signature] Date 3-30-15

Company Comments Revised Survey submitted 3-30-15 by EC. Original was submitted 1-22-15.

### WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

### REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>[Signature]</u>	Date <u>12/15/14</u>	Time <u>1130</u>
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#### FOR OFFICE USE ONLY

Number <u>24</u>	Date	Assessment	Penalty	Termination
Type of Inspection <u>PI</u>				

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Off-Lease/Off Communitization Agreement Measurement, Sales, and Storage**

**Conditions of Approval: Oxy USA Incorporated  
Bank 18 Federal Com 1H  
NM132210 3001541447**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments and/or product accountability.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease/off-CA measurement from various sources is a privilege which is granted to lessees/operators for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.