Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD Artesia

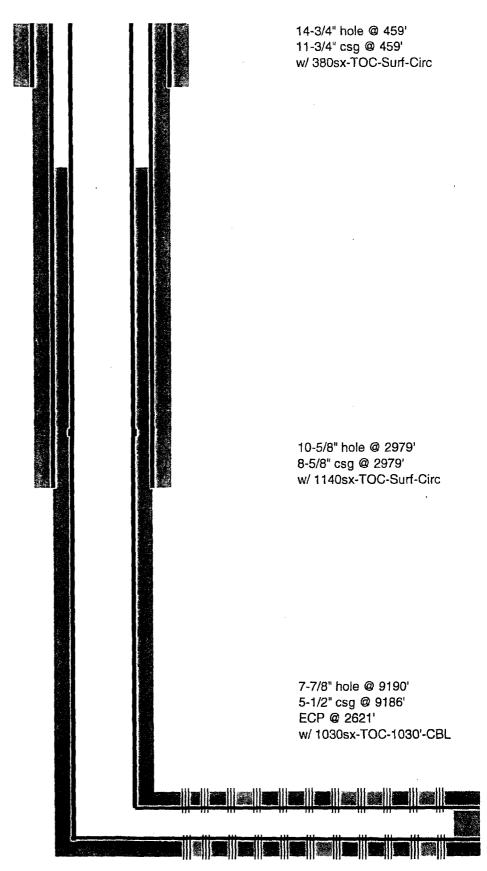
FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

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. NMNM94651

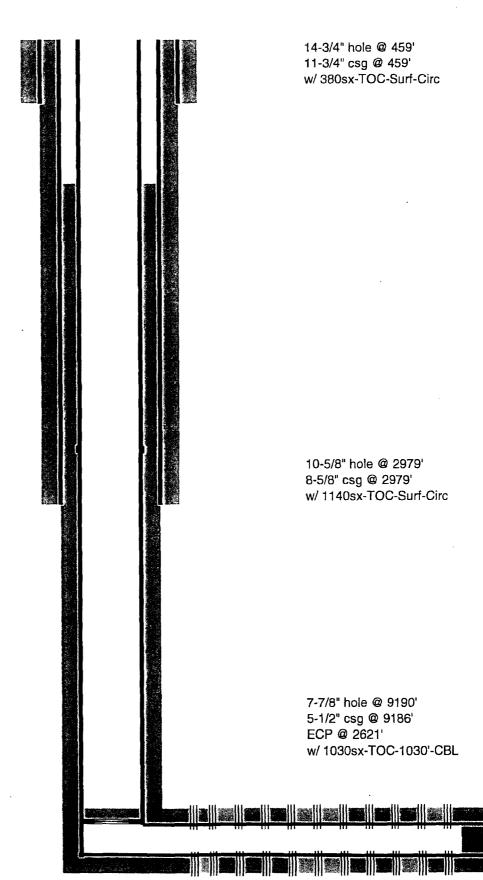
abandoned well. Use form 3160-3 (APD) for such proposals.			6. If Indian, Allo	6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2				7. If Unit or CA/Agreement, Name and/or No.	
Type of Well ☐ Gas Well ☐ Other				8. Well Name and No. CEDAR CANYON 27 FEDERAL 1H	
2. Name of Operator Contact: DAVID STEWART OXY USA INC. E-Mail: david_stewart@oxy.com			9. API Well No. 30-015-41095		
3a. Address P.O. BOX 50250 MIDLAND, TX 79710		3b. Phone No. (include area code) Ph: 432-685-5717 Fx: 432-685-5742	-685-5717 CEDAR CANYON DELAWARE		
4. Location of Well (Footage, Sec., T		11. County or Pa	11. County or Parish, State		
Sec 27 T24S R29E NWNW 595FNL 845FWL 32.193916 N Lat, 103.977671 W Lon			EDDY COL	EDDY COUNTY, NM	
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICATE NATURE O	F NOTICE, REPORT, OR	OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
T N. G. Clare	☐ Acidize	☐ Deepen	☐ Production (Start/Resum	e)	
☑ Notice of Intent	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other	
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	▼ Temporarily Abandon		
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal		
TD-9190'M 5256'V PBTD-9 OXY USA Inc respectfully req evaluating whether to convert fracturing additional Brushy Companies 1. POOH w/ prod. equipment, 2. Notify BLM/NMOCD of casi	uests to the temporarily a this well to an SWD in the anyon. RIH & set CIBP @ +/-54!	e Cherry Canyon or perforatin 90', dump 5sx CL C cmt on to	ently 8/29/12	AUG 29 2017	
3. RU pump truck, circulate we	ell with treated water, pre-	ssure test casing to 500# for 3	CONDITIONS	Of Milita	
Shufinsine	04/2016"	o/out approve			
14. I hereby certify that the foregoing is Name (Printed/Typed) DAVID ST	Electronic Submission # For OX Committed to AFMSS for	383660 verified by the BLM We (Y USA INC., sent to the Carlst processing by JENNIFER SAN	oad / ///		
	2777	J. J. J. J. K.	1 APPRAIR	A/1/	
Signature (Electronic S	Submission)	Date 08/03/2	17 / 11 11 11 11	7	
	THIS SPACE FO	OR FEDERAL OR STATE	1 1110 (1/1)	Z + M	
Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or equ			BUREAU OF LIJUMANA CARLSBAZ FIELD		
which would entitle the applicant to conductive 18 U.S.C. Section 1001 and Title 43	U.S.C. Section 1212, make it a	Office crime for any person knowingly and	willfully to make to any departme	ent or agency of the Unica	
States any false, fictitious or fraudulent s (Instructions on page 2)	statements or representations as	to any matter within its jurisdiction,			

OXY USA Inc. - Current Cedar Canyon 27 Federal Com. #1H API No. 30-015-41095



Perfs @ 5540'-9060'

OXY USA Inc. - Proposed Cedar Canyon 27 Federal Com. #1H API No. 30-015-41095



CIBP @ 5490' w/ 5sx cmt

Perfs @ 5540'-9060'

TD - 9190'M 5256'V

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

Approved for a period of 12 months ending 08/10/2018 subject to conditions of approval.

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

- 1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
- 2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, placed with tubing, or 35 feet of cement if placed with bailer.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
- 3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

- 1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval <u>with well bore diagram</u> with all perforations and CIBP's and tops of cement on CIBP's.
- 2. Describes the temporary abandonment procedure.
- 3. Attaches a clear copy or the original of the pressure test chart.
- 4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- 1. A procedure to repair the casing so that a TA approval can be granted.
- 2. A procedure to plug and abandon the well.

Cedar Canyon 27 Federal 1H

- 1. Well is approved to be TA/SI for a period of 12 months or until 08/10/2018
- 2. This will be the last TA approval for this well.
- 3. Must submit NOI to recomplete or NOI to P&A. Must be submitted by 08/10/2018
- 4. COA's met at this time.