

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr , Hobbs, NM 87240
District II
1301 W Grand Ave , Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-30379	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. 23628	
7. Lease Name or Unit Agreement Name: AIRPORT 35	RECEIVED FEB - 1 2010 NMOCD ARTESIA
8. Well Number 1	
9. OGRID Number 16696	
10. Pool name or Wildcat HAPPY VALLEY DELAWARE	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3259 GL
2. Name of Operator OXY USA Inc	
3. Address of Operator P.O. BOX 4294, HOUSTON, TX 77210	
4. Well Location Unit Letter <u>M</u> : <u>990</u> feet from the <u>SOUTH</u> line and <u>990</u> feet from the <u>WEST</u> line Section <u>35</u> Township <u>22s</u> Range <u>26e</u> NMPM County <u>EDDY</u>	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☒ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached

TA STATUS WILL BE GRANTED AFTER A SUCCESSFUL
MTI TEST. CONTACT THE OGD TO SCHEDULE THE
TEST SO IT MAY BE WITNESSED.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Regulatory Analyst DATE 01/22/2010
Jereme_Robinson@oxy.com
Type or print name Jereme Robinson E-mail address: Jereme_Robinson@oxy.com PHONE 713.366.5360

For State Use Only

APPROVED BY [Signature] TITLE COMPLIANCE OFFICER DATE 2/2/10
Conditions of Approval (if any):

Attachment: NOI to T/A C-103
OXY USA Inc
Airport 35 #1
990' FSL & 990' FWL
Section 35. T-22-S, R-26-E
Eddy County, New Mexico
API# 30-015-30379

OXY USA Inc, requests temporary abandoned status for the referenced well. The well was and remains shut in since OXY acquired the well in 2008 due to an H₂S level exceeding the allowed deliverability of the transporting pipeline company (4ppm). Historically the well has never proved to produce over 70ppm H₂S with an average test rate in recent years between 3 and 10 ppm (per gas analysis from 2003-2007).

OXY requests TA status to allow appropriate time to return the well to production safely. OXY intends to diligently pursue the proposed work plans to bring this well back online as timely as possible. If the plans as implemented fail to result in production in paying quantities, OXY will P&A the well as per the direction of the NMOCD. OXY will have the well online or P&A'd by 12/01/2010. The length of time requested includes time needed to obtain the appropriate FAA permits and Airport Manager approval, as the well is located in the confines of the Cavern City Air Terminal in Carlsbad, approximately 650' off the East Runway. OXY will conduct as much as possible of the outlined work with a wireline unit to maintain an efficient timeframe and allowing aircraft to safely depart and land at the Airport. However, any work involving pulling tubing or rods will require the use of a workover rig and appropriate FAA permits. The requested TA period will allow OXY time to plan and execute our work to maintain the safety of the public, given the close proximity of the Airport.

Work Plan: The plan may include all or some of the described work below to bring the well online.

1. Attempt to turn the well on and use chemical treatment down hole to sweeten the sour gas to deliverable specs. Test well capability for 72 hours to determine flowrate and confirm the sweetening of the gas.
2. If the chemical treatment sweetens the gas appropriately, then turn the production to sales. Otherwise, T/A according to rules:

TD-5220' PBTD-5172' Perfs-5038-54

1. POOH w/ production equipment
2. RIH & set CIBP @ 4985'
3. Notify NMOCD of casing integrity test 24hrs in advance
4. RU pump truck, circulate well with treated water, pressure test casing to 500# for 30 min.

Once the well is properly TA'd (ie. the well passes a CIT), filed and approved by NMOCD, OXY will construct facilities required to allow the produced oil and gas to be sold.

This plan will require OXY to obtain and set a rental compressor to deliver produced gas into the sales systems. Given the relatively high H₂S levels in some offset wells, OXY needs time to evaluate the best option to move the sour gas with mechanical integrity/corrosion considered, in the best interest of public health and safety.

The outlined work plan will begin with the chemical treatments beginning as soon as January 27, 2010, with the extent of this plan being completed and the well returned to production by 12/01/2010. Similar requests are pending for other wells in the area that are in a similar situation. OXY is willing to meet and maintain constant communication with the NMOCD throughout the work process. If the NMOCD should require additional details or updates, OXY is also willing to comply.