

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
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.
NM-12828

6. If Indian, Allottee or Tribe Name

RECEIVED

JUL 7 2010

NMOCD ARTESIA**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

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

8. Well Name and No.
Shelby 12 Federal #79. API Well No.
30-015-349852. Name of Operator
OXY USA WTP Limited Partnership3a. Address
P O Box 4294
Houston, Texas 772103b. Phone No. (include area code)
713-366-536010. Field and Pool or Exploratory Area
Wildcat/Yeso4. Location of Well (Footage, Sec., T, R, M, or Survey Description)
SL- 240 FSL 1840 FEL SWSE(0) Sec 12 T22S R24E
BHL- 1090 FSL 1745 FEL SWSE(0) Sec 12 T22S R24E11. Country or Parish, State
Eddy NM**12 CHECK THE 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Please see attached proposal for Plug Back and Temorary Abandonment.

This filing and completion of the proposed work is also intended to serve as the Corrective Action to Notice of Written Order dated 05/26/2010 (also attached).

*Note this well is being T/A'd for future Yeso recompleat as per meeting with BLM on 05/26/2010.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****SUBJECT TO LIKE
APPROVAL BY STATE**14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Jerome Robinson

Title Regulatory Analyst

Signature

Date 06/23/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title CIE

Date 7/2/10

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 CFP

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.

(Instructions on page 2)

M2

☒ Certified Mail - Return
Receipt Requested
70091410000021823206UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF WRITTEN ORDER

IDENTIFICATION	
IID	
Lease	NMNM12828
CA	
Unit	
PA	

Bureau of Land Management Office CARLSBAD FIELD OFFICE		Operator OXY USA WTP LIMITED PTNRSHIP					
Address 620 E GREENE STREET CARLSBAD NM 88220		Address P O BOX 50250 MIDLAND TX 79710-0250					
Telephone 575-234-5916		Attention					
Inspector CARRASCO		Attn Addr					
Site Name SHELBY 12 FEDERAL	Well or Facility 7	1/4 1/4 Section SWSE 12	Township 22S	Range 24E	Meridian NMP	County EDDY	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
05/26/2010	13:45	07/02/2010		43 CFR 3162 3-4(a)

Remarks

A RECENT FIELD INSPECTION OF THE ABOVE REFERENCED WELL AND OUR RECORDS INDICATE THAT THE ABOVE WELL IS SHUT-IN (SI) OR TEMPORARILY ABANDONED (TA). THE BUREAU OF LAND MANAGEMENT (BLM) AND MINERALS MANAGEMENT SERVICE (MMS) DEFINITION OF A SHUT-IN WELL IS A COMPLETION THAT IS PHYSICALLY AND MECHANICALLY CAPABLE OF PRODUCTION IN PAYING QUANTITIES OR CAPABLE OF SERVICE USE. THE DEFINITION OF A TEMPORARILY ABANDONED WELL IS A COMPLETION THAT IS NOT CAPABLE OF PRODUCTION IN PAYING QUANTITIES BUT WHICH MAY HAVE VALUE AS A SERVICE COMPLETION. ACCORDING TO OUR RECORDS THE WELL REFERENCED ABOVE HAS BEEN SHUT-IN FOR 6 MONTHS OR LONGER OR HAS BEEN TEMPORARILY ABANDONED WITHOUT AUTHORIZATION.

(Remarks continued on following page(s).)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title REGULATORY ANALYST Signature [Signature] Date 6/23/2010
Company Comments SEE ATTACHED 3160-5 FOR PLUBACK AND T/A FOR YESO RECOMPLETION
WITHIN 4 YEARS WITH ANNUAL T/A RENEWALS PER MEETING WITH BLM 5/26/2010.

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation 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. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 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 frame 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, records, 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 decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice 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>5/26/10</u>	Time <u>1415 hrs.</u>
---	------------------------	--------------------------

FOR OFFICE USE ONLY

Number 53	Date	Type of Inspection WS
--------------	------	--------------------------

BLM Remarks, continued

43 CFR 3162.3-4 (c) REQUIRES THAT WELLS INCAPABLE OF PRODUCTION IN PAYING QUANTITIES BE PROMPTLY PLUGGED AND ABANDONED AND REQUIRES APPROVAL FOR ANY WELL TEMPORARILY ABANDONED FOR MORE THAN 30 DAYS

THEREFORE YOU ARE ORDERED TO DO ONE OF THE FOLLOWING.

1. RETURN THE WELL TO PRODUCTION OR BENEFICIAL USE
2. SUBMIT NOTICE OF INTENT TO PLUG AND ABANDON

IF YOU DECIDE TO RETURN THE WELL TO PRODUCTION, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 5 COPIES) OF INTENT WITHIN 30 DAYS OF RECEIPT OF THIS LETTER. INCLUDE THE DATE YOU ANTICIPATED THE WELL BEING PLACED BACK IN SERVICE. 43 CFR 3162.4-1(c) ALSO REQUIRES YOU TO NOTIFY THE AUTHORIZED OFFICER, NOT LATER THAN THE FIFTH BUSINESS DAY AFTER PRODUCTION IS RESUMED FOR ANY WELL WHICH HAS BEEN OFF PRODUCTION FOR MORE THAN 90 DAYS, THE DATE ON WHICH SUCH PRODUCTION WAS RESUMED. NOTIFICATION MAY BE BY LETTER OR SUNDRY NOTICE, OR ORALLY FOLLOWED BY LETTER OR SUNDRY NOTICE.

IF THE WELL IS TO BE USED FOR BENEFICIAL PURPOSES, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 5 COPIES) WITHIN 30 DAYS OF RECEIPT OF THIS LETTER AND INCLUDE INFORMATION CONCERNING FUTURE USE. A BRIEF DESCRIPTION OF YOUR PROPOSED PLANS AND ECONOMIC FEASIBILITY AND AN ANTICIPATED DATE FOR PLACING THE WELL IN BENEFICIAL USE WILL SUFFICE. BENEFICIAL USE INCLUDES BUT IS NOT LIMITED TO, RECOMPLETION BUT IS NOT LIMITED TO, RECOMPLETION TO OTHER HORIZONS, CONVERSION TO INJECTION FOR SECONDARY OR ENHANCED RECOVERY, AND SALT-WATER DISPOSAL OR INJECTION.

IF YOU DECIDED TO PLUG AND ABANDON THE WELL, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 5 COPIES) WITHIN 30 DAYS OF RECEIPT OF THIS LETTER AND DESCRIBE THE PROPOSED PLUGGING PROGRAM.

UNDER PROVISIONS OF 43 CFR 3165.3, YOU MAY REQUEST A STATE DIRECTOR REVIEW (SDR) OF THE ORDERS DESCRIBED ABOVE. SUCH A REQUEST INCLUDING SUPPORTING DOCUMENTS MUST BE FILED IN WRITING WITHIN 20 BUSINESS DAYS OF RECEIPT OF THIS NOTICE AND MUST BE FILED WITH THE STATE DIRECTOR, BUREAU OF LAND MANAGEMENT, P.O. BOX 27115, SANTA FE, NEW MEXICO 87502-0115. SUCH REQUEST SHALL NOT RESULT IN A SUSPENSION OF THE ORDER UNLESS THE REVIEWING OFFICIAL SO DETERMINES. PROCEDURES GOVERNING APPEALS FROM INSTRUCTIONS, ORDERS, OR DECISIONS ARE CONTAINED IN 43 CFR 3165.4 AND 43 CFR PART 4.

FOR MONITORING AND TRACKING PURPOSES, PLEASE SUBMIT APPROPRIATE PAPERWORK TO THIS OFFICE ATTENTION: DUNCAN WHITLOCK.

IF YOU HAVE ANY QUESTIONS, CONTACT JIM AMOS OR DUNCAN WHITLOCK AT (575) 234-5972.

3160-5 (Page 2)

OXY USA WTP LP
Shelby 12 Federal #7
30-015-34985
Sec. 12-22S-24E
Eddy County, New Mexico

Proposed Plug back and T/A

Current: TD: 8656' PBTD: 8596' Perfs: 7953-8202'

Proposed PBTD: 5774'

Plug back procedure:
Notify Agencies minimum 48-hours before operations.
MIRU
Set CIBP @ 7903'
Plug w/ 120sx @ 7903'-7612' WOC-TAG
Plug w/ 105sx @ 6051-5774' WOC-TAG
Use 10# mud between plugs.
See attached Wellbore Diagrams

Temporarily abandon 1-year terms for future Yeso per meeting on 5/26/2010.
Notify Agencies minimum 48-hours to schedule test
MIT well.
See attached Wellbore Diagrams.

All correspondence in regards to the above procedure shall be sent to Jereme Robinson at
PO BOX 4294, Houston, Texas 77210, or 713.366.5360 office, 832.518.0108 cell,
Jereme_Robinson@oxy.com



OXY USA WTP LP

Shelby 12 Federal #7

API#: 3001534985

Current

Surface Casing:

Drld 14 3/4" hole

9-5/8" 36# J-55 csg set at 1554'

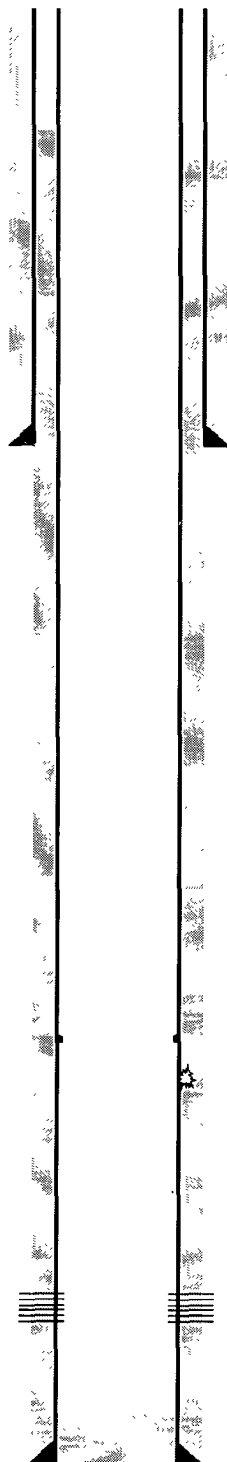
Cmt'd w/ 1405sx to surface

Production Casing:

Drld 8-3/4"

7" 36# J-55 0' - 8655'

Cmt'd w/ 1250sx, TOC-200' (CBL)



Glorieta 3050'

Yeso 3242'

Bone Spring 5824'

DV Tool @ 6001'

Hole in Casing @ 6934'

Wolfcamp 7662'

CIBP @ 7903'

Formation:

Penn

Perforations:

7953-8202' (Open)

PBTD: 8596'

TD: 8656'

ELEV.: 3859'

Spud Date: 08/16/2006



OXY USA WTP LP

Shelby 12 Federal #7

API#: 3001534985

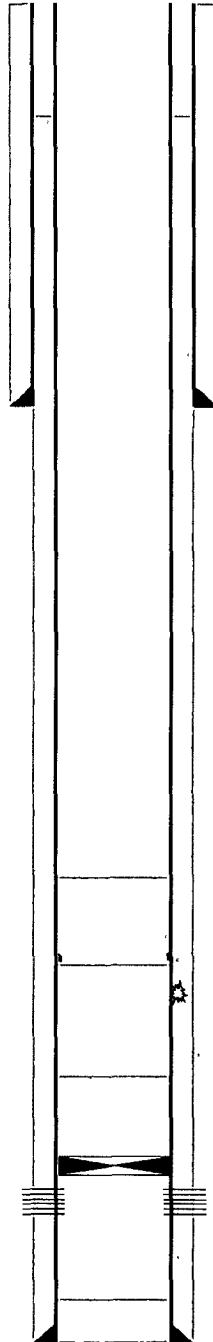
Proposed Plugback

Surface Casing:

Drl'd 14 3/4" hole
9-5/8" 36# J-55 csg set at 1554'
Cmt'd w/ 1405sx to surface

Production Casing:

Drl'd 8-3/4"
7" 36# J-55 0' - 8655'
Cmt'd w/ 1250sx, TOC-200' (CBL)



Glorieta 3050'

Yeso 3242'

Plug 105sx @ 6051-5774' WOC-TAG
Bone Spring 5824'

DV Tool @ 6001'

Hole in Casing @ 6934'

Wolfcamp 7662'
Plug 120sx @ 7903-7612 WOC-TAG

CIBP @ 7903'

Formation:

Penn

Perforations:

7953-8202' (Open)

PBTD: 8596'

TD: 8656'

ELEV.: 3859'

Spud Date: 08/16/2006

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

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.
 - 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.**

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 **with well bore diagram** 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.

Shelby 12 Federal #7. Well may be approved to be TA/Sl for a period of 1 year until July 2, 2011 after successful MIT and subsequent report with well bore diagram is submitted. Well must be P&A or plans to return to beneficial use submitted by July 2, 2011.

Oxy USA WTP Limited Partnership
NM-12828 – Shelby 12 Federal #7
API: 30-015-34985
Eddy County, New Mexico

RE: Plug back NOI – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

2M BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

1. Plug required across the hole in casing at 6934'. Minimum 170' length and 25sx volume. Spot from 6984'-6814'. WOC and tag.
2. All other plugs approved as requested.
3. BLM PET to witness

Submit subsequent report with wellbore diagram and NOI to recomplete once work is completed.

DHW 070210