

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

OXY USA Inc.

16696

3a. Address

P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. (include area code)

432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

330 FNL 2310 FWL NENW(C) Sec 4 T22S R31E

5. Lease Serial No.

NMNM0417696

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lost Tank 4 #1
Federal

9. API Well No.

30-015-28727

10. Field and Pool, or Exploratory Area

Lost Tank Delaware, West

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other Surface

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

Commingling

☐ Convert to Injection

☐ Plug Back

☐ 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 shall 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 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 final site is ready for final inspection.)

RECEIVED

OCT 27 2010

NMOCD ARTESIA

See attached.

ACCEPTED FOR RECORD

OCT 22 2010

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

All wells are on the SAME Lease

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

10/28/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

OXY USA Inc. is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s)

Federal Lease No. NMNM0417696

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec. Twp. Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
Lost Tank 3 Federal #15	3001537951	2558 FNL 235 FWL SWNW(E) Sec 3 T22S R31E 1650 FSL 660 FWL NWSW(L) Sec 3 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 3 Federal #19	3001537952	2558 FNL 185 FWL SWNW(E) Sec 3 T22S R31E 549 FSL 661 FWL SWSW(M) Sec 3 T22S R31E 2558 FNL 285 FWL SWNW(E) Sec 3 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 3 Federal #21	3001537920		Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #1	3001528727	330 FNL 2310 FWL NENW(C) Sec 4 T22S R31E	Lost Tank Delaware, West	4	41	48	59
Lost Tank 4 Federal #2	3001529611	330 FNL 1650 FEL NWNE(B) Sec 4 T22S R31E	Lost Tank Delaware, West	7	41	62	76
Lost Tank 4 Federal #3	3001529617	330 FNL 330 FEL NENE(A) Sec 4 T22S R31E	Lost Tank Delaware, West	7	41	54	66
Lost Tank 4 Federal #5	3001529732	1650 FNL 2310 FWL SENW(F) Sec 4 T22S R31E	Lost Tank Delaware, West	8	41	33	40
Lost Tank 4 Federal #6	3001529733	1650 FNL 1650 FWL SWNE(G) Sec 4 T22S R31E	Lost Tank Delaware, West	11	41	56	69
Lost Tank 4 Federal #7	3001530414	1330 FNL 660 FEL SENE(H) Sec 4 T22S R31E	Lost Tank Delaware, West	12	41	61	75
Lost Tank 4 Federal #8	3001537923	2490 FNL 500 FEL SENE(H) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #9	3001537953	2460 FNL 1850 FEL SWNE(G) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #11	3001537954	1467 FNL 2263 FWL SENW(F) Sec 4 T22S R31E 2021 FNL 426 FWL SWNW(E) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #12	3001537955	2200 FSL 2260 FWL NESW(K) Sec 4 T22S R31E 1956 FSL 461 FWL NWSW(L) SEC 4 T22S R32e	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #13	3001537956	2150 FSL 2260 FWL NESW(K) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #14	3001537893	2225 FSL 1260 FEL NESE(I) Sec 4 T22S R31E 1664 FSL 1821 FEL NWDE(J) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #15	3001537894	2225 FSL 1160 FEL NESE(I) Sec 4 T22S R31E 1654 FSL 491 FEL NESE(I) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #16	3001537957	2225 FSL 1210 FEL NESE(I) Sec 4 T22S R31E 405 FSL 789 FEL SESE(P) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #17	3001537958	2225 FSL 1310 FEL NESE(I) Sec 4 T22S R31E 497 FSL 2004 FEL SWSE(O) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #18	3001537895	2050 FSL 2260 FWL NESW(K) Sec 4 T22S R31E 399 FSL 2083 FWL SESW(N) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600
Lost Tank 4 Federal #19	3001537896	2100 FSL 2260 FWL NESW(K) Sec 4 T22S R31E 391 FSL 438 FWL SWSW(M) Sec 4 T22S R31E	Lost Tank Delaware, West	140	41	490	600

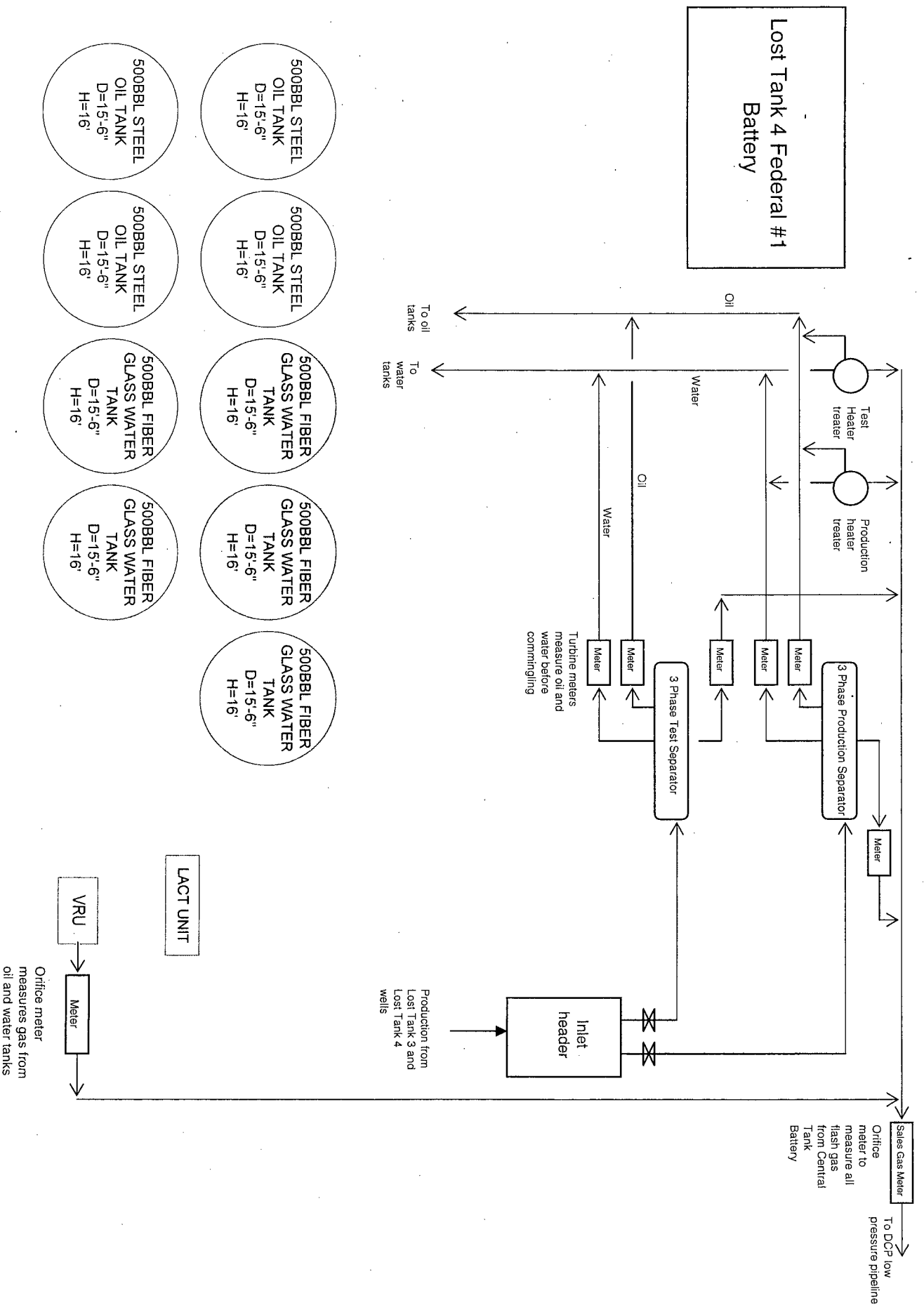
The storage and measuring facility is located at NENW1/4, Sec 4 T22S R31E, on Lease No. NMNM0417696 Eddy County, New Mexico.
BLM will be notified if there is any future change in the facility location

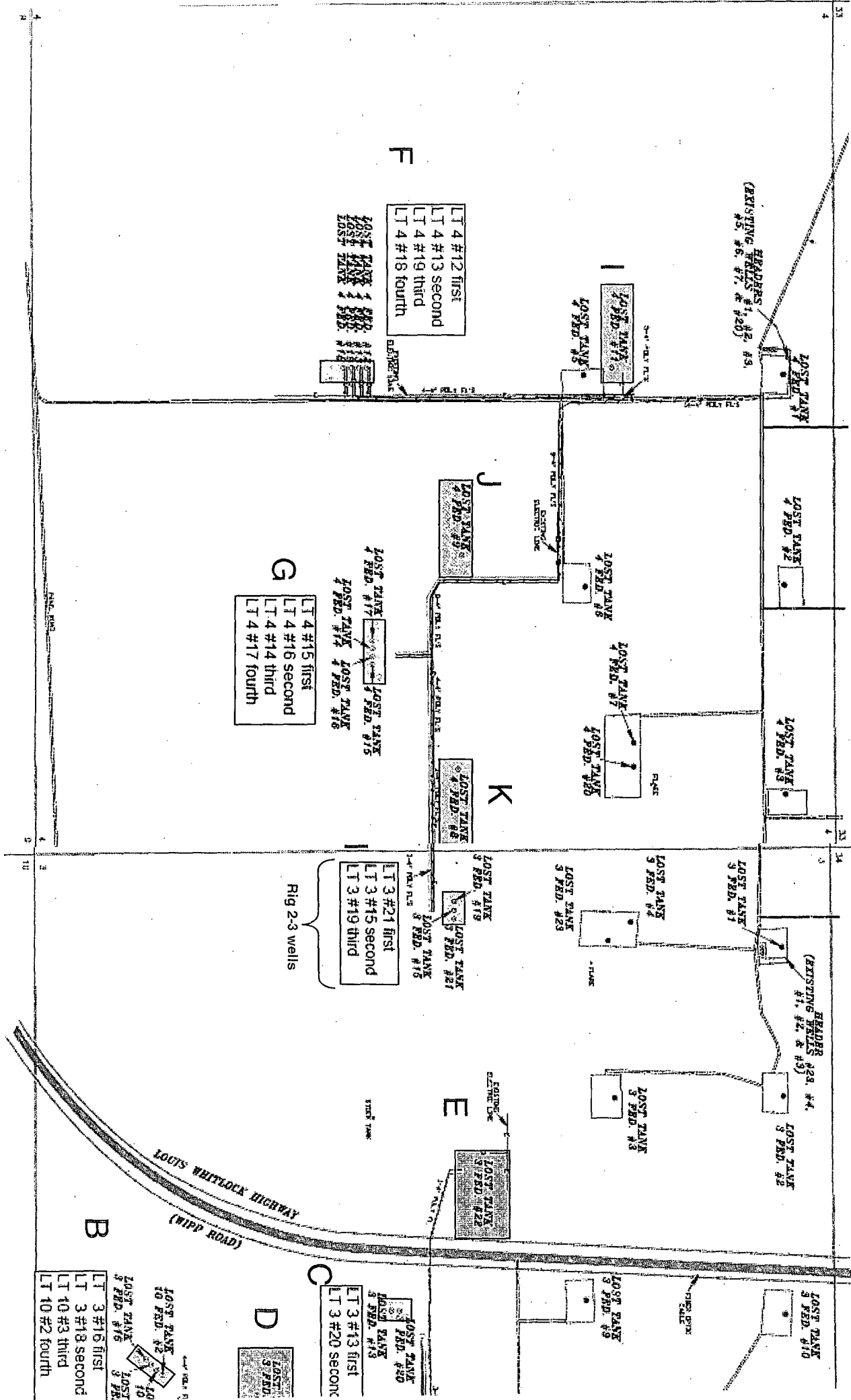
Lost Tank 3/4 Federal Metering and Allocation:

Oil, water and gas production from Lost Tank 3 Federal #15, 19, 21 wells will be metered at Lost Tank 4 Federal #1 Central Tank Battery using a three phase test separator for allocation before commingling. At the Lost Tank 4 Federal #1 Central Tank Battery, oil and water will be measured using Oxy owned turbine meters, and gas will be measured using an Oxy owned orifice meter. Total oil, water and gas at Lost Tank 4 Federal #1 Central Tank Battery will be measured and allocated back to each lease based on well tests. Total gas will be measured with an orifice meter, located at the Lost Tank 4 Federal #1 Central Tank Battery, and will flow into DCP's low pressure gas gathering system. All oil production will be sold at the Lost Tank 4 Federal #1 Central Tank Battery.

Justification

Lost Tank 3 Federal lease has a highway crossing through the lease separating Lost Tank 3 Federal #15, 19, 21 on west side of the road and other 7 new wells on the east side of the road. Due to approximately 1/2 mile of Sand Dunes and having to cross under the WIPP road, the BLM did not approve to lay the flow lines Lost Tank 3 Federal #5 battery and. for that reason, it was decided to use Lost Tank 4 Federal #1 battery.







OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 27570, Houston, Texas 77227-7570
Phone 713.215.7000

September 20, 2010

New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Surface Commingling Application of OXY USA Inc.
Lost Tank 3 Fed #15, #19 & #21
Lost Tank 4 Fed #1, #2, #3, #5, #6 & #7
Section 3 and Section 4 (less the NW/4 NW/4)
Township 23 South, Range 31 East
Eddy County, New Mexico

Gentlemen:

OXY's surface commingling application covers the referenced wells located in Section 3 and Section 4, less the NW/4 NW/4, T23S, R31E, Eddy County, New Mexico. These lands are subject to Federal Oil and Gas Lease NMNM-0417696. Ownership in this lease and the lands covered thereby is identical across the entire lease with working interest and royalty interest being owned in exactly the same percentages. There are no overriding royalty owners in the lease.

Yours truly,

Donna G. Havins
Land Negotiator
OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046
P.O. Box 27757 (77227-7757)
Dir: (713) 215-7232
Cell: (713) 202-7559
Fax: (713) 985-1818
email: donna_havins@oxy.com

Lost Tank 3 Lease Ownership

Working Interest:

OXY USA Inc. – 50%

ConocoPhillips Company – 50%

550 Westlake Park Blvd

Houston, TX 77252

Royalty Interest:

United States of America – 100%

Lost Tank 4 Lease Ownership

Working Interest:

OXY USA Inc. – 50%

ConocoPhillips Company – 50%

550 Westlake Park Blvd

Houston, TX 77252

Royalty Interest:

United States of America – 100%