

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)

735 FSL 1945 FWL SWSE (0)

Sec 3 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 3 #16
Federal

9. API Well No.

30-015-37907

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

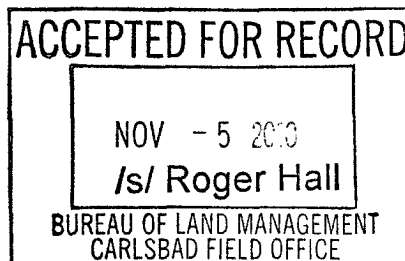
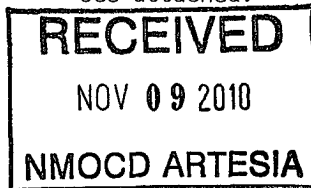
- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Spud. set</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>casing & cement</u> |
| <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 final site is ready for final inspection.)

See attached.



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

David Stewart

Title

Sr. Regulatory Analyst

Date

10/26/10

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.

SPUD AT 11:30 HRS ON 10/16/2010. DRILL 14-3/4" SURFACE HOLE TO 677'

RUN 11.75", H-40, 42# STC CASING ,

1- TX PTTN SHOE -STC (WEATHERFORD TIGER TOOTH) 677'

1- SHOE JOINT - STC WITH STOP RING 10' UP FROM SHOE. 633-676'

1- FLOAT COLLAR (WEATHERFORD) AT (THREAD LOCKED) 632'

15 CASING JOINTS, STC, CASING TO SURFACE. 631-Surface

W/ 6 BOW SPRING CENTRALIZERS

PUMP CEMENT AS FOLLOW: 20 BBLs GEL SPACER AT 3 BPM + 570 SACKS (136 BBL), 14.8 PPG, 1.35 YIELD , MIX WATER 6.39 GAL/SK, AT 6 BPM. WASH UP ON TOP OF PLUG AND DISPLACEMENT WITH 76.5 BBL 8.33 PPG FRESH WATER AT 6 BPM, SLOWED TO 2.5 BPM LAST 11.5 BBLs. BUMP THE PLUG TO 900 PSI (500 OVER) AT 02:34 HRS. HELD FOR 10 MINUTES BLED BACK 1.0 BBL FLOAT HELD. CIRCULATE OUT 56 BBL CEMENT TO SURFACE (233 SXS OF CEMENT TO SURFACE). BLM OFFICIAL WAS NOT ON LOCATION TO WITNESS CEMENT JOB. AT 03:00 HRS NOTIFIED BLM WITH RESULTS FROM CEMENT JOB TALKED TO TONY TUCKER HE SAID HE WOULD BE OUT LATER IN THE DAY TO PICK UP PAPER WORK.

NIPPLE UP 11" 5K LB BOP STACK (BOTTOM TO TOP): DSA (DOUBLE STUDDED ADAPTER) 13-5/8" x 3K LB X 11" x 5K LB. SPOOL 11" x 5K LB X 11" x 5K LB. 11" x 5K LB PSI DOUBLE RAM (BLINDS ON BOTTOM, 4 1/2" PIPE RAMS ON TOP). 11" x 5K LB PSI ANNULAR PREVENTER. 11" x 5K LB ROTATING HEAD.

BOPS WITH CLOSED CASING VALVE AGAINST 11.75" CASING.

TEST # 1) BLIND RAM, 11.75" 42# CASING, INSIDE KLV, CMV 4, 5, 6, 7, CASING - LOW 250, HIGH 1386.

TEST # 2) BLINDS, INSIDE 2" KLV, POWER CHOKE VALVE , OUTSIDE MANUAL CHOKE VALVE, CASING - LOW 250 , HIGH 1386.

TEST # 3) PIPE RAMS , OUTSIDE KLV, INSIDE 2" CMV, CASING - LOW 250 , HIGH 1386.

TEST # 4) PIPE RAMS, CHECK VALVE, HCR VALVE - 250 LOW 1368 HIGH.

TEST # 5) ANNULAR , INSIDE 4" CLV - LOW 250 HIGH 1386.

TEST # 6) TIW - 250 LOW , 3500 HIGH.

TEST # 7) MANUAL TOP DRIVE, LOW 250 , HIGH 1386.

TEST # 8) STANDPIPE / MUD LINES LOW 250. HIGH 1386

TEST # 9) DART VALVE

ACCUMULATOR TEST

NO LEAKS ON ANY TEST - 30 MINUTES OF REQUIRED PRESSURE ON ALL TESTS - ALL TESTS ARE DOCUMENTED AS PER OXY AND BLM.

REQUIREMENTS - BLM REPRESENTATIVE TONY TUCKER WAS NOT ON LOCATION AND WITNESSED TESTING OPERATION

DRILL OUT CEMENT, FLOAT COLLAR, SHOE TRACK FROM 624' TO 677' AND 10' NEW FORMATION TO 687.'

CIRCULATE BOTTOMS UP, MUD WEIGHT 10.0 PPG IN & OUT, SPOT 20 BBLs OF 8 PPB SALT GEL PLUS 20 PPB MIX 2 MED LCM PILL.

PERFORM FIT FOR FIVE MINUTES AT 687' TO 106 PSI = 13.01 PPG EMW. GOOD TEST, CHANGED OUT ROTATING HEAD.

DRILL 10-5/8" INTERMEDIATE HOLE TO 4078'

RUN 8 5/8" 32# J-55 INTREMEEDIATE CASING AS FOLLOWS:

1 - SHOE MODEL 303A FROM 4076.48' TO 4078'.

2 - SHOE CASING JOINTS FROM 3990.96' TO 4076.48'.

1 - FLOAT COLLAR MODEL 402A FROM 3989.76' TO 3990.96'.

95 - CASING JOINTS FROM TO SURFACE TO 3989.76'.

NOTE: STOPPED AT 2000' CIRCULATED BTMS UP AT 8 BBPM 80 PSI. NO H2S (SEE ATTACHED FOR ADD'L INFO).

NOTIFIED BLM MR. TERRY CARTWRIGHT AT 10:45 HRS OF RUN AND CEMENT 8 5/8" INTERMEDIATE CASING.

PUMP 20 BBL OF GEL SPACER (6 PPB WG-19 GELLING AGENT) + 880 SKS (295 BBL), LEAD HALLIBURTON LIGHT PREMIUM PLUS 12.90 PPG, 1.88 FT3/SK YIELD, 9.35 GAL/SK WATER AT 7 BPM + TAIL 200 SKS (48 BBL) PREMIUM PLUS CEMENT , 14.80 PPG , 1.34 FT3/SK, MIXING FLUID: 6.38 GAL/SK. AT 5.0 BPM FULL RETURNS AT ALL TIMES. DROP PLUG , WASH UP ON TOP DISPLACING CEMENT AT 8 BPM WITH 243 BBLs FRESH WATER. FINAL CIRCULATING PRESSURE 1250 PSI. BUMPED PLUG AT 19:33 HRS 10/21/2010 TO 1740 PSI (480 PSI OVER).

CIRCULATED 88 BBLs (263 SACKS) CEMENT TO SURFACE. RECIPROCATED CASING THROUGH OUT JOB UNTIL CEMENT AT SURFACE.

NOTE: MR. TERRY CARTWRIGHT FROM BLM WITNESS CEMENTING JOB.

TEST BOP EQUIPMENT 10 MIN LOW (250 PSI) AND 10 MIN HIGH (5000 PSI) AS FOLLOWS BY JEFF STOUT :

TEST #1BLIND RAMS, OUTSIDE 4" KLV, INSIDE CHOKE MANIFOLD VALVES,OUTSIDE 4" KILL LINE VALVE, 250 / 5000.

TEST # 2 BLIND RAMS, MANUAL & POWER CHOKE VALVES,OUTSIDE 4" CH.MAN VALVE INSIDE 2" KILL LINE VALVE 250 / 5000.

TEST # 3 PIPE RAMS, INSIDE 2"CHOKE MANIFOLD VALVES, 250 / 5000.

TEST # 4 PIPE RAMS, OUTSIDE 2" KLV, HCR, 250 / 5000.

TEST # 5 PIPE RAMS, INSIDE CHOKE LINE VALVE, 2" CHECK VALVE 250 / 5000. TEST # 6 ANNULAR, INSIDE 4" CHOKE LINE VALVE, 2" CHECK VALVE 250 / 3100.

TEST # 7 TIW, 250 / 5000. 1ST. T.I.W. VALVE LEAKED AND WAS REPLACED, THE 2ND T.I.W. TESTED GOOD 250 / 5000

TEST # 8 STAND PIPE / MUD LINE BACK TO PUMPS, 250 / 4000.

TEST # 9 LOWER MANUAL TOP DRIVE VALVE 250 / 5000

TEST # 10 DART VALVE 250 / 5000.

TEST # 11 2" MANUAL CHOKE VALVE AGAINST H.C.R. VALVE 250 / 4000

DRILL OUT CEMENT, PLUG, FLOAT COLLAR, SHOE TRACK AND 10' NEW FORMATION FROM 3960' TO 4088'.

DRILLING PARAMETERS: 10-12K WOB, 65 SRPM, 154 MRPM (139 TRPM ON BTM), 446 GPM, 1160 PSI ON BTM, 3.5K TQ ON BTM, 1-2K TQ OFF BTM. CIRCULATE EQUAL 8.4 PPG MUD WEIGHT AT 446 GPM 1130 PSI. PERFORM FIT AT 4078' WITH 8.4 PPG MUD WEIGHT TO 425 PSI. EMW= 10.4 PPG. HELD 5 MINUTES WITH NO PRESSURE DROP.

DRLG 7.875" PRODUCTION HOLE

SUBSEQUENT REPORT
LOST TANK 3 FEDERAL # 16
DESCRIPTION OF OPERATIONS
H2S EVENT WHILE DRILLING INTERMEDIATE SECTION

H&P 340 rig while drilling on 10/19/2010 at 19:00 at 3008' (intermediate interval) the H2S alarms went off. At this point the proper procedure was deployed. Well was shut in, and personnel evacuated to previously discussed muster area. Oxy HES specialist, and Total Safety representative were contacted.

At 20:30 Total Safety rep arrived to location and found sensor #7 on active pit to be the resource of the alarm, and validated alarms.

At 21:00 BLM was notified (Mr. Terry Wilson) about H2S being present on location, and cascade trailer was rigged up.

At 22:00 Safety man was masked up, as well as the driller, and derrick hand. Observed SICP being 0 psi. Opened and circulated 2 bottoms up at 450 gpm getting 25 ppm at shakers at 4300 strokes. H2S concentration increased to 122 ppm at 7260 strokes, and diminished to 25 ppm at 7760 strokes. By 9400 strokes, the H2S concentration stabilized constant at 10 ppm throughout the second bottoms up.

At 23:30 Discussed plan forward, and held a safety meeting. At this point well was shut in again, and started to mud up the pits to a 35 vis, and 10.4 ppg

At 03:30 Held a pre-job safety meeting, and mask up driller, safety specialist, motor man and displace the hole with mixed mud. H2S reading were 25-40 initially falling off to 0 ppm. Once 10.4 ppg mud was circulated to surface H2S was not present.

At 06:00 Drilling was resumed prior approval from Superintendent, and safety specialist. H2S was not present on surface during the interval, no losses encountered either. Running casing operations, and cement job went as planned circulating 263 sacks of cement to surface.

Attached is the drilling report with description of operations.