

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

OCD Artesia

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)

2350 FSL 2250 FEL NWSE(J)
1650 FSL 1980 FWL WESW(K)

Sec 3 T22S R31E

5. Lease Serial No.

NMN0417696

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 #13
Federal

9. API Well No.

30-015- 37950

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

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

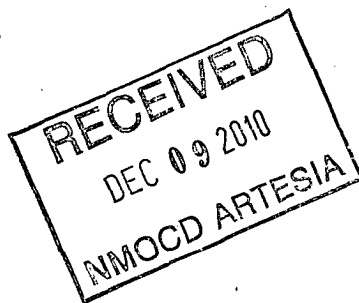
☐ Water Shut-Off

☐ Well Integrity

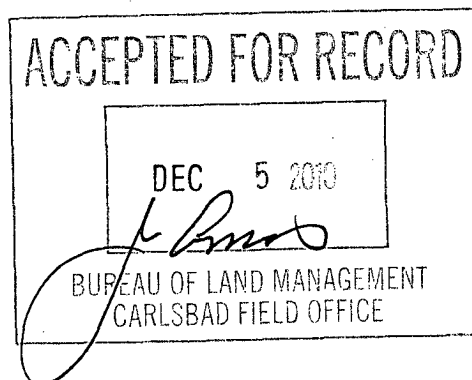
☒ Other Spud, set

casing & cement

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.)



See attached.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

11/24/10

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 07:00 HRS ON 10/28/2010. DRILL 14-3/4" SURFACE HOLE FROM TO 683'

RUN 11.75" H-40 42# STC CASING

01 TX PTRN SHOE -STC 683'(WEATHERFORD TIGER TOOTH)

01 SHOE JOINT - STC WITH STOP RING 10' UP FROM SHOE.

01 FLOAT COLLAR 637.77 (WEATHERFORD) (THREAD LOCKED)

15 CASING JOINTS, STC, CASING TO SURFACE.

RUN 6 WEATHERFORD BOW SPRING CENTRALIZERS EVERY 3 JOINTS.

NOTIFIED TERRY WILSON OF BLM , CARLSBAD OFFICE THAT DELAYED CEMENT DELIVERY WOULD BE ON LOCATION AT 23:00 HRS. MR. WILSON SAID TO BEGAN AND COMPLETE THE JOB REGARDLESS IF HE WAS ON LOCATION OR NOT.

AIT ON HALLIBURTON CEMENT TRANSPORT TO ARRIVE TO BEGAN CEMENTING OPERATION.

CIRCULATING 15 BBLS EVERY 15 MINUTES TO AVOID WASHING OUT BALL AND SEAT IN THE FLOAT COLLAR.

PUMP CEMENT AS FOLLOW: 20 BBLS GEL SPACER WITH RED DYE AT 5 BPM + 570 SACKS (137 BBL), 14.8 PPG, 1.35 YIELD , MIX WATER 6.39 GAL/SK, AT 7 BPM. WASH UP ON TOP OF PLUG AND DISPLACEMENT WITH 77 BBLS 10 PPG BRINE WATER AT 7 BPM, 280 PSI, SLOWED TO 2.5 BPM LAST 11.5 BBLS. BUMP THE PLUG TO 860 PSI (500 OVER) AT 01:39 HRS. HELD FOR 10 MINUTES BLED BACK 1.0 BBL FLOAT HELD. CIRCULATED 80 BBLS (332 SACKS) OF CEMENT. NOTE: TERRY WILSON , BLM OFFICIAL WAS ON LOCATION TO WITNESS CEMENT JOB.

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.

NOTE: NOTIFIED MR. BOB HOSKINSON WITH BLM AT 20:30 HRS OF BOP TEST. WE DISCUSSED NO BOP OR SURFACE EQUIPMENT WOULD BE TESTED FOR 24 HRS FROM PLUG DOWN. START BOP TEST AT 02:00 HRS. 10/30/2010

TESTING WITH MONAHANS NIPPLE UP TESTERS, THIRD PARTY TESTER.

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) CHECK VALVE, HCR VALVE ,T.I.W. VALVE- 250 LOW 1368 HIGH.

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

TEST # 6)MANUAL TOP DRIVE VALVE, STANDPIPE, MUDLINES BACK TO PUMPS - 250 LOW , 3500 HIGH.

TEST # 7) MUDLINES TO 4" VALVE @ PUMPS 250 LOW, 3500 HIGH.

TEST # 8) 4" STAND PIPE VALVE 250 LOW, 3500 HIGH.

ACCUMULATOR TEST: 50.72 SECONDS

NO LEAKS ON ANY TEST, 30 MINUTES OF REQUIRED PRESSURE ON ALL TESTS, ALL TESTS ARE DOCUMENTED AS PER OXY AND BLM REQUIREMENTS. BLM REP BOB HOSKINSON WAS NOT ON LOCATION DURING TESTING OPERATION BUT ASKED US TO GATHER ALL DOCUMENTATION AND HE WOULD STOP BY LATER

DRILL CEMENT AND TAG FLOAT COLLAR @ 637' , DRILL SHOE TRACK SHOE @ 683' DRILL 10' OF NEW HOLE TO 693'

500 GPM , WOB 10K, SRPM 45, MRPM 110, 1380 OFF BOTTOM PSI , 2000 ON BOTTOM PSI.

IRCULATE BOTTOMS UP, MUD WEIGHT 9.8 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 683' TO 113 PSI WITH 9.8 FLUID WT. = 13.0 PPG EMW. GOOD TEST.

10/30/10 - DRILL 10-5/8" INTERMEDIATE HOLE TO 4034'

RUN 8-5/8" 32# J-55 INTERMEDIATE CASING

01 SHOE MODEL 303A FROM 4034.00' TO 4032.08'

02 SHOE CASING JOINTS FROM 4032.48' TO 3989.47'

FLOAT COLLAR MODEL 402A FROM 3946.47' TO 3945.27.'

57 JOINTS CASING.

01 DV TOOL 1498.21' TO 1495.21'

35 CASING JOINTS FROM TO SURFACE TO 1495.21'.

CEMENT 1st STAGE W/

SPACER#1: PUMP 30 BBL OF FRESH WATER. SPACER #2: 24 BBL SUPER FLUSH. SPACER#3 20 BBL FRESH WATER WITH WG-19 GELLING AGENT AHEAD OF CEMENT.

LEAD - PUMPED 295 BBLS/ 880 SX , CLASS C, 12.9 PPG , 1.88 YIELD. @ 8 BBLS/MIN.

TAIL - PUMPED 48 BBLS / 200 SX , CLASS-C PREMIUM PLUS CEMENT - 14.8 PPG. , 1.34 YIELD @ 5 BBLS/MIN.

DISPLACED WITH 190 BBLS FRESH WATER + 46 BBLS OF 10.2 BRINE = (246.6 TOTAL) DISPLACEMENT WATER 1100 PSI OF LIFT PRESSURE.@ 10 BBLS/MIN. SLOWED TO 4 BPM LAST 15 BBLS. BUMPED PLUG AT 13:35 HRS TO 1620 PSI AND HELD PRESSURE FOR 10 MINUTES AND BLED BACK 2.0 BBLS - FLOAT HOLDING. NOTE:CIRCULATED SPACER RED DYE TO SURFACE NO CEMENT

DROP DV OPENING BOMB LET GRAVITATE 15 MINUTES. HALLIBURTON PRESSURE UP 560 PSI DV TOOL OPENED.

HALLIBURTON CIRCULATE WITH 10.0 PPG BRINE OFF DV TOOL AT 5 BPM 350 PSI. PUMPED 190 BBLS. CIRCULATED 150 BBLS GOOD CEMENT OFF DV TOOL.

NOTE: AT 14:50HRS NOTIFIED BLM TALKED TO LEGION BRUMLEY GAVE RESULTS OF CEMENT JOB THAT WE DID NOT CIRCULATE CEMENT TO SURFACE ON FIRST STAGE AND WE OPEN DV TOOL CIRCULATED 150 BBLS OFF DV TOOL AT 1495'.

ANNULAS VOLUME AT 1495' GAUGED HOLE SHOULD ONLY BE 56 BBLS. APPERANTLY LARGE WASHBELOW CSURFACE CASING SHOE TO DV TOOL.

DISCUSSED WITH HALLIBURTON, DRILLING ENGINEER AND SUPERINTENDENT INCREASE 2ND STAGE LEAD CEMENT VOLUME BY 250% , ADDING 300 SKS 630 TOTAL TO COVER WASH OUT.

TURN OVER TO RIG AND CIRCULATE WITH RIG PUMPS AT 5 BPM CIRCULATED 125 BBLS. 10.0 PPG BRINE LOSSES AT 200 BLS. MADE DECISION TO CIRCULATE 5 BBLS THROUGH DV TOOL EVERY 15 MIN TO ENSURE TO STAY CLEAR. WAIT ON CEMENT 5 HRS FROM PLUG DOWN.

2ND STAGE CEMENT JOB. TEST LINES TO 250 LOW 3,500 PSI HIGH, PUMPED SPACER 20 BBLS OF H2O, PUMPED LEAD (630 SKS. 211 BBLS) 12.9 #, 1.34 YIELD. 6.39 GAL/SK, DROP PLUG, PUMPED, DISPLACED 91 BBLS OF H2O, CIRCULATED 215 SKS. CEMENT, 72 BBLS OF CEMENT TO SURFACE, BUMPED PLUG @ 3.7 BPM, 600 PSI AND INCREASED TO 2,200 PSI, HELD FOR 5 MINUTES, FLOW BACK 1.5 BBLS. BUMPED PLUG @ 23:59 PM.. CALLED BLM (LEGION BRUMLEY AND REPORTED THE AMOUNT OF THE CEMENT THAT WAS RETURNED TO SURFACE.

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

TEST #1 BLIND RAMS, INSIDE 2" KLV, INSIDE CHOKE MANIFOLD VALVES, 250 / 5000.

TEST # 2 PIPE RAMS, MANUAL & POWER CHOKE VALVES, 250 / 5000.

TEST # 3 BLIND RAMS, OUTSIDE CHOKE MANIFOLD VALVES, 250 / 5000.

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

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

TEST # 7 TIW, 250 / 5000.

TEST # 8 MANUAL TOP DRIVE VALVE, 250 / 4000.

TEST # 9 STAND PIPE / MUD LINE BACK TO PUMPS, 250 / 4000.

TEST # 10 DART VALVE 250 / 5000.

DRILLING CEMENT EQUIPMENT FROM 3940' TO 4,044.0'

CIRCULATE, GET CONSISTENT MUD WEIGHTS IN / OUT (8.4 PPG).

PERFORM FIT TEST, TVD = 4,044', MW = 8.4 PPG, EMW = 10.4 PPG. 4,044'

TESTED AT 420 PSI. HELD FOR 5 MINUTES. NO LEAK OFF

DRILL 7-7/8 DIRECTIONAL HOLE TO 8339'M

PRODUCTION HOLE, RUN IN HOLE W/ LOGS, TAG TMD @ 8,352', PULLED 1.5K W/ TOOLS COMING OFF BOTTOM.

RUN 5 1/2 17# J55 LTC PRODUCTION CASING AS FOLLOWS

TAG @ 8343', LAND CASING @ 8334'

CASING STRING ON BOTTOM AS FOLLOWS.

01 FLOAT SHOE (DAVIS LYNCH) 8343.19'-8341.79'

02 SHOE JOINTS.

01 FLOAT COLLAR (DAVIS LYNCH) 8256.27'-8254.17'

55 CASING JOINTS.

01 DV TOOL (DAVIS LYNCH MODEL 777-HY-3S) 5889.69'-5847.38'.

44 CASING JOINTS.

01 PACKER STAGE TOOL (DAVIS LYNCH MODEL 778-100) 4099.12'-4142.14'

93 CASING JOINTS.

01 CSG JOINT TO SURFACE.

PUMP CEMENT 1ST STAGE:

20 BBL FRESH WATER / WG-19 GEL SPACER 510 SKS (149 BBL) CEMENT SUPER H, 13.2 PPG, 1.61 YIELD, 7.83 GAL/SK, AT 7 BPM. AT 800 PSI DROPPED THE PLUG AT 22:12 HRS AND DISPLACE WITH 70 BBLS 8.4 PPG FRESH WATER AT 6 BPM, FOLLOWED BY 124.0 BBLS MUD 8.6 PPG, AT 6 BPM AT 120 PSI SLOW DOWN TO 3 BPM LAST 10 BBL, 840 PSI FINAL PRESSURE. DID NOT BUMP PLUG, OVER DISPLACE 2 BBLS. FLOAT HOLDING. BLED BACK 01 BBLS. DROP STAGE TOOL OPENING DART, LET FALL 35 MINS, HALLIBURTON OPEN STAGE W/ 1,450 PSI, START CIRCULATING W/ MUD CIRCULATE HOLE W/ MUD, CIRCULATE 60 BBLS CEMENT TO PIT, CONDITION HOLE W/ 9.0 PPG MUD FOR 4 HRS W/ RIG PUMP

PUMP 2ND STAGE CEMENT JOB.

PUMP 20 BBLS GEL SPACER WG-19 + 630 SKS (172 BBL) CEMENT, 13.2 PPG, 1.61 YIELD, 7.82 GAL/SK, AT 8 BPM. DROPPED PLUG AT 04:42 HRS. DISPLACED WITH 60 BBLS 8.4 PPG FRESHWATER FOLLOW WITH 83 BBLS 10.0 PPG BRINE AT 7 BPM. AT 375 PSI BUMPED PLUG AT 00:52 HRS TO 700 PSI UP TO 2800 (1,100 PSI OVER), TO CLOSE DV TOOL. HOLD FOR 5 MIN. FLOAT HOLDING. BLED BACK 2.0 BBLS DROP BOMB AT 05:00 AND LET IT GRAVITATE FOR 25 MIN. PRESSURE UP TO 350 PSI AND INFLATE THE PACKER AND CONTINUE PUMPING TO 1,800 PSI TO OPEN THE DV TOOL. PUMP 229 BBL 10.0 PPG BRINE AT 7 BPM W/ RIG PUMP AND CIRCULATE OUT 120 BBLS CEMENT (418 SKS) TO SURFACE.

PUMP 3RD STAGE CEMENT JOB.

PUMP 20 BBLS GEL SPACER (WG-19) + 380 SKS (141 BBL) CEMENT, 12.4 PPG, 2.05 YIELD, 11.39 GAL/SK, AT 7 BPM AT 300 PSI. PUMP TAIL CEMENT 150 SKS (35.5 BBL) 14.8 PPG 1.33 YIELD, 6.38 GAL/SK, AT 5 BPM AT 320 PSI. DROP PLUG AT 07:45 AND DISPLACE AT 5 BPM 700 PSI. WITH 97.0 BBL FRESH WATER. FINAL DISPLACEMENT PRESSURE 769 PSI UP TO 2640 AT 3 BPM BUMPED PLUG AT 08:23 HRS, AT 2880 PSI. (1500 PSI OVER) AND CLOSE DV TOOL ABOVE POST. HELD 5 MIN. FLOATS HOLDING. BLED BACK 2.0 BBLS. CIRCULATED OUT 25 BBLS CEMENT (105 SKS) TO SURFACE HAVE FULL RETURNS AT ALL TIMES NO LOSSES.

SET SLIPS WITH 160K AND MADE ROUGH CUT. BREAK STACK BELOW HYDRILL AND SET BACK, SET BACK RAM SECTION. SET SPOOL ON TOP OF B SECTION AND PRESSURE TEST TO 2750 PSI.

RELEASE RIG @ 18:00 11/13/2010