

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)

SL 2225 FSL 1210 FEL WESECT Sec 4 T22S R31E

BH 405 FSL 789 FEL SESECT

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 #16
Federal

9. API Well No.

30-015-37957

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

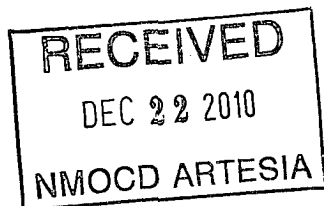
TYPE OF SUBMISSION

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

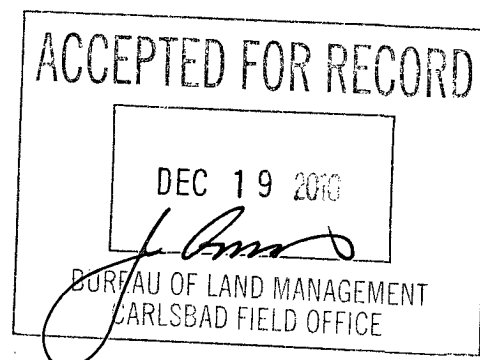
TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <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 Spud, set |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | casing & cement |
| <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 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

12/13/10

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.

2200
Calk

Lost Tank 4 Federal #16

SPUD 01:00 HRS ON 11/24/10. DRILL 14-3/4" SURFACE HOLE to 680'

RIH W/ 11-3/4" 42# H-40 SURFACE CASING AS FOLLOWS.

TEXAS PATTERN GUIDE SHOE 680.00 - 679.34

1 SHOE JOINT 679.34 - 636.08

FLOAT COLLAR 636.08 - 635.01

16 JOINTS 11 3/4" CASING 635.01 TO SURFACE

CEMENT W/ 20BBL GEL SPACER, 550SKS (132BBL) PREMIUM PLUS + 2% CALCIUM CHLORIDE, 14.8 PPG, YLD-1.35, GPS-6.39, @ 6 BPM. DISPLACE WITH 77 BBLS OF BRINE @ 8 BPM. FINAL PRESS @ 2 BPM 220 PSI, BUMP PLUG 500 OVER TO 750 PSI. HELD PRESS FOR 10 MINUTES. BLED OFF PRESSURE, FLOATS HELD BLED .50 BBLS OK. CIRCULATED 76BBLS/316SKS OF CEMENT TO SURFACE. BLM JERRY BLAKELY WITNESSED CEMENT JOB

ROUGH CUT 11.75" CASING, LAY DOWN CUT OFF, & CONDUCTOR, FINAL CUT AND DRESS FOR INSTALLING WELLHEAD, NSTALL 13 5/8 " SLIP ON WELLHEAD, TEST TO 750 PSI FOR 10 MINS, GOOD TEST NIPPLE UP BOP'S, OPEN RAM DOORS AND CHECK RUBBER GOODS

NITAITE ACCUMULATOR TEST 30 MIN. (PASSED).

ALL COMONETS AS FOLLOWS WERE TESTED AT 250PSI LOW FOR 30MIN AND 1386PSI HIGH FOR 30MIN.

TEST #1 CHOKE VALVES # 2,5,6,7, INSIDE KILL VALVE #1, BLIND RAMS

TEST #2 HYDRAULIC CHOKE, MANUAL CHOKE OUTSIDE KILL VALVE BLINDS

TEST #3 CHOKE VALVES #1,3, BLINDS, KILL LINE CHECK VALVE.

TEST 4 - HCR - PIPE RAMS - CHECK VALVE

TEST 5 - MANUAL HCR VALVE - PIPE RAMS - CHECK VALVE

TEST 06 - ANNULAR - MANUAL HCR - CHECK VALVE

TEST 07 - 4" VALVES ON MUD PUMPS AND MUD LINES

TEST 08 - MANUAL TOP DRIVE TEXAS IRON WORKS VALVE

TEST 09 - FLOOR TIW VALVE

TEST 10 - DART VALVE

ALL PRESSURE TEST PASSED GOOD AND COMPLETED

DRLG OUT CMT. FLOAT COLLAR @ 636', CSG SHOE @ 680' AND 10' NEW HOLE @ 690'. CIRC HOLE CLEAN.

SPOT LCM PILL ON BTM. PREFORM FIT ON CSG SHOE @ 680' TO EMW OF 13.0 PPG WITH 120 PSI

DRILL 10-5/8" INTERMEDIATE HOLE TO 3915'

Rih w/ 8-5/8", 32#, J-55 INTERMEDIATE CASING AS FOLLOWS:

TEXAS PATTERN GUIDE SHOE 3915.00 - 3913.80

2 SHOE JOINT 3913.80 - 3829.13

FLOAT COLLAR 3829.13 - 3827.63

90 JOINTS 8 5/8" CASING 3827.63 TO SURFACE

PUMP 20 BBL SPACER WITH RED DYE, PUMP LEAD 288 BBLS / 860 SKS PP CMT @ 12.9 PPG, YLD-1.91

FOLLOWED BY 200 SKS/47/7 BBLS PP CMT @ 14.8 PPG, YLD-1.34, DROP PLUG, PUMP DISPLACEMENT 234 BBLS BRINE WATER. PUMP DISPLACEMENT 234 BBLS BRINE WATER. CHECK FLOATS OK. RETURNED 83 BBLS 248 SACKS TO PITS. WITNESSED BY BLM LEGION BRUMLEY

CLOSE ANNULAR AND PUT 200 PSI ON BACK SIDE, PRESSURE BLED OFF, LEFT IT CLOSED IN, WOC

WAIT ON CEMENT, RIG DOWN FLOW LINE, PREPARE FOR NIPPLE DOWN.

NIPPLE DOWN B.O.P., SET SLIPS WITH STRING WT.90K ON SLIPS

LAY OUT CUT OFF CASING, INSTALL AND TEST B-SECTION TO 1770 PSI

NOTIFIED BLM LEGION BRUMLEY FOR AUTHORIZATION TO NIPPLE UP AND TEST BOP

NIPPLE UP BOP, LINES AND RELATED EQUIPMENT

INITIATE ACCUMULATOR TEST 15 MIN. (PASSED).

ALL COMONETS AS FOLLOWS WERE TESTED AT 250 PSI LOW FOR 10 MIN

BOP HIGH 5000 PSI, ANNULAR HIGH 3100PSI, STAND PIPE AND LINES TO 3500PSI

TEST #1 CHOKE VALVES # 2,5,6,7, INSIDE KILL VALVE #1, BLIND RAMS

TEST #2 HYDRAULIC CHOKE, MANUAL CHOKE OUTSIDE KILL VALVE BLINDS

TEST #3 & 4 CHOKE VALVES #1,3, BLINDS, KILL LINE CHECK VALVE.

TEST 5 - MANUAL HCR VALVE - PIPE RAMS - CHECK VALVE

TEST 06 - ANNULAR - MANUAL HCR - CHECK VALVE

TEST 07 - 4" VALVES ON MUD PUMPS AND MUD LINES

TEST 08 - MANUAL TOP DRIVE TEXAS IRON WORKS VALVE

TEST 09 - FLOOR TIW VALVE

TEST 10 - DART VALVE

ALL TEST GOOD

TRIP IN HOLE TAGGED CEMENT AT 3783 FT., PRESSURE TEST CASING TO 2050 PSI HOLDING FOR 30MIN.
DRLG F/3805' - T/3925 DRILLING OUT CMT, SHOE TRACK AND 10' OF PRODUCTION FORMATION
DRILLING PARAMETERS: 8/12 K LBS WOB, 40 SRPM, 64 MM RPM, 104 TOTAL RPM, 400 GPM, PUMP PRESS ON
BTM 960 PSI, OFF BTM 800 PSI, TORQ ON BTM 3000, OFF BTM 1000
CIRC HOLE CLEAN & EQUAL MUD IN AND OUT PERFORMED FIT 10.4 PPG EMW. WITH 8.4 PPG FLUID WITH 410
PSI. GOOD TEST.

DRILL 7-7/8" PRODUCTION HOLE TO 8492'M 8031'V
RUN 5.5" 17# J-55 LT&C PRODUCTION CASING @ 8456'

1 FLOAT SHOE 8454.6-8456'

1 SHOE JOINT 8412.5-8454.6

1 FLOAT COLLAR 8411-8412.5

57 CASING JOINT(S) 5999.5-8411.0

1 DV TOOL 5997.1-5999.5

48 CASING JOINT(S) 3968.9-5997.1

1 POST TOOL 3943.2-3968.9

95 CASING JOINT(S) 16.5-3943.2

CEMENT 1ST STAGE PER PROGRAM. PUMP 10 BBL, 20 GEL F/W SPACER, 560 SKS 161 BBL SLURRY, 13.2 PPG
LEAD CEMENT PERMIAN BASIN SUPER H + .5% HALAD(R)-344 + .04% CFR-3 + 5 LBM GILSONITE + 1 LBM SALT +
0.3% HR-800 + 0.125 LBM POLY-E-FLAKE WITH 1.61 YIELD @ 8 BPM. DROP PLUG, WASH UP LINES, DISPLACE
WITH 76 BBLS H2O- WITH RED DYE, 120 BBLS MUD @ 8 BPM. DID NOT BUMP PLUG, PUMP 1/2 BBL AND 1/2
VOLUME OF SHOE TRACK AND DID NOT BUMP PLUG. CHECK FLOATS, 1 BBL BACK HOLD OK. OPEN DV TOOL
WITH 1,015 PSI. CIRCULATE OFF DV TOOL, WITH 210 BBL PUMPED BEGAN SEEING RED DYE AND STOPPED AT
240 BBLS WITH NO CEMENT, CONTINUE PUMPING TO 300 BBLS AND LOST RETURNS. CONTACT OFFICE AND
WAS INSTRUCTED TO WAIT ON CEMENT FOR TOTAL OF 6 HRS. THEN START SECOND STAGE.

CEMENT 2ND STAGE PER PROGRAM. RIG PUMPED 20 BBL LCM PILL, HALLIBURTON PUMP 10 BBL FW SPACER ,
24 BBLS FLOW CHECK, 5 BBLS FW SPACER & 20 BBLS GEL F/W SPACER, 670 SKS 192 BBL SLURRY, 13.2# LEAD
CEMENT PERMIAN BASIN SUPER H + .5% HALAD(R)-344 + .04% CFR-3 + 5 LBM GILSONITE + 1 LBM SALT + 0.3%
HR-800 + 0.125 LBM POLY-E-FLAKE WITH 1.61 YIELD @ 6 BPM WITH NO RETURNS. DROP PLUG, WASH UP LINES,
DISPLACE WITH 140 BBLS FW WITH RED DYE @ 6 BPM. DID NOT BUMP PLUG, PUMP 12 BBL MORE FOR A TOTAL
OF 152 BBS & DID NOT BUMP PLUG. NO RETURNS THROUGH OUT INTIRE CEMENTING & DISPLACING
OPERATION.

CONTACT OFFICE AND WAS INSTRUCTED TO START THIRD STAGE.

DROP FREE FALL OPENING DEVICE AND WAIT 35 MINUTES. HELD SAFETY MEETING. PRESSURE UP AT IDLE ON
PUMP AT .9 BPM TO 250 PSI, PRESSURE DECREASE TO 200 PSI SHOWING PACKER WAS INFLATING, INCREASE
PRESSURE TO 400 PSI, HELD FOR 30 SECONDS, INCREASE PRESSURE TO 600 PSI, HELD FOR 30 SECONDS,
INCREASE PRESSURE TO 1650 PSI AT 1 1/2 BPM TOOL OPENED, PRESSURE DROPPED MOMENTERLY AND
INCREASE TO 3150 PSI. BLEED OFF 1/2 BBL TO TANK AND PRESSURED UP AGIAN TO 3360 PSI, PRESSURE
BLEEDING OFF VERY SLOWLY.

CONTACTED OFFICE AND WAS ADVISED TO RUN TEMP LOG. CONTACTED SCHLUMBERGER AND BLACK
WARRIER SAME HAD NO CREWS OR TRUCK AVALIBALE, CONTACT DIALOG SAME WILL ARRIVE @ APPROX.
04:30. AM

RUN TEMP SURVEY TOP CMT @ 700' & TAG AT 4004' RIG DOWN DIALOG.

NOTE: AT 07:50 HRS CONTACTED CARLSBAD BLM OFFICER TALKED TO MR. BOB HOSKINSON. DISCUSSED
CEMENT OPERATION AND PROBLEMS. HE SAID HE WOULD CONTACT BLM ENGINEER AND HAVE HIM CALL US
BACK.

WAIT ON CALL FROM CARLSBAD BLM ENGINEER AT 08:35 HRS. SPOKE TO CHRIS WALLS WITH BLM,
DISCUSSED PRODUCTION CEMENT OPERATION AND PROBLEMS. REQUESTED PERMISSION TO MOVE DRILLING
RIG OFF TO LOST TANK 3-15 AND HAVE COMPLETION RIG COME IN AND DRILL OUT PLUGS AND PREFORM
CEMENT BOND LOG AND ANY REQUIRED REMEDIAL WORK TO 5 1/2" PRODUCTION CASING. VERBAL APPROVAL
WAS GRANTED.

FINISH NID STACK & MAKE ROUGH CUT & INSTALL TUBING HEAD & TEST TO 3400P.S.I HELD FOR 30MINS

Production Interval – Cement Job - Summary of Events:

12/10/2010 @ 09:00 Pumped 1st stage as planned with no issues (100% returns), DV tool was opened, and while attempting to circulate cement excess out the returns started to diminish and 10 bbls of spacer made it to surface of the 20 bbl pumped. Checked with Halliburton pressure charts, final values of 1100 psi final lifting pressure and returns observed indicate estimated top of cement to be ~250' below the DV tool which is placed at 6035' MD. BLM was contacted to discuss plan forward to pump 2nd stage increasing loss circulation material, and reactive pill ahead of the slurry after 6 hrs of dropping top plug.

12/10/2010 @ 15:30 Started pumping 2nd stage 670 sx, and returns were not achieved (total losses), top plug was pumped, and were unable to bump the plug, 12 bbl overdisplace were pumped with no success on bumping the plug. There is a high chance the DV tool did not close. At this point, rig contacted the Oxy team to discuss results and options. It was decided to continue with 3rd stage and coordinate with WST further plan to close DV tool when drilling out stage collars with workover rig at a later time.

12/10/2010 @ 20:30 Operations continued to drop opening device and inflate Packer/stage collar combination tool placed at (3946' - 3971' with Intermediate casing shoe at 3915'), and pump 3rd stage. The opening dart was pumped, and pressures indicated the 10' element packer inflated, and the stage collar opened the ports. While trying to establish circulation prior to pump cement slurry, the pressure started to climb up to 3360 psi, and no circulation could be established through the stage collar into the annulus.

12/10/2010 @ 22:30 Team phone-conferenced and decided to run a temperature survey to establish top of cement and define options to move forward.

12/11/2010 @ 05:30 Temperature survey was run to confirm top of Cement. Log indicated TOC at 700 ft

12/11/2010 @ 07:30 Drilling rig contacted BLM to inform of temperature survey results and the intention to move drilling rig off location to next well Lost Tank 3 # 15, and have workover rig come to location, to drill out stage tools and CBL being run to determine remedial work plan.

12/11/2010 @ 08:35 Christopher Wall with the BLM granted verbal approval for plan forward, and requested a Sundry Notice to be filed within 5 days as a follow up including a summary of the operations, and the intention to run a CBL to confirm well conditions.

12/11/2010 @ 14:00 Drilling Rig was released, and started move to Lost Tank 3 # 15

Plan Forward:

Finish move of drilling rig from Lost Tank 4 # 16 into Lost Tank 3 # 15 well. Coordinate mobilization of workover rig and drill out Stage Tools. Run CBL log and file a sundry at a later time including a copy of CBL and recommendations for remedial work if needed for BLM review.

Attachments: (Temperature Survey)



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