Form 3160-5 (June 1990)

Approved by ______ Conditions of approval, if any:

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No.

Date

NM0524216 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Oil Well 8. Well Name and No. Government AC #3 Name of Operator 16696 9. API Well No. OXY USA Inc. 3. Address and Telephone No. 30-015-2862/ 10. Field and Pool, or Exploratory Area
Old Mi. ([man = Ranch]
Mne Springs Pool

11. County or Parish, State 79710 915-685-5717 P.O. Box 50250 Midland, TX 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2085 FEL NUISE (I) Sec 15 TJOS RJEE 2085 F5L NM Eddy CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12 TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment Notice of Intent New Construction Recompletion Non-Routine Fracturing Subsequent Report Plugging Back Water Shut-Off Casing Repair Conversion to Injection Final Abandonment Notice Altering Casing Dispose Water Other Spud, (Note: Report results of multiple completion on Well Cement Completion or Recompletion Report and Log form 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* See Other Side 14. I hereby certify that the foregoing is true and correct David Stewart Title Regulatory Analyst (This space for Federal or State office use)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictious or traudulent statement or representations as to any matter within its jurisdiction.

ATTACHMENT 3160-5 OXY USA INC. GOVERNMENT AC #3 SEC 15 T20S R28E EDDY COUNTY, NM

NOTIFIED BLM @ 1500hrs MST 1/22/96 OF SPUD DATE & TIME. MIRU EXETER #67, SPUD WELL @ 2030hrs MST 1/23/96. DRILL 17-1/2" HOLE TO TD @ 405', 0330hrs MST 1/24/96, CHC. RIH W/ 13-3/8" 48# CSG & SET @ 405'. M&P 220sx CL C CMT FOLLOWED BY 200sx CL C CMT W/ 2% CACL2, PLUG DOWN @ 0900hrs MST 1/24/96, CMT DID NOT CIRCULATED, WOC-8hrs. BLM NOTIFIED, DON EARLY WITNESSED FIRST PLUG. RIH W/ 1" TBG & TAG @ 97', M&P 150sx CL C CMT W/ 2% CaCl2, POOH, WOC. RIH W/ 1" & TAG @ 25', M&P 50sx CL C CMT W/ 5% CACL2, CIRC CMT TO PIT, WOC 3hrs. CUT OFF CSG & WELD ON STARTING HEAD, NU BOP & TEST TO 1000#, HELD OK. RIH, TAG CMT @ 305' & DRILL AHEAD.

DRILL 11" HOLE TO TD @ 3000', 0730hrs MST 1/30/96, CHC. RIH W/ 8-5/8" 24-32# CSG, WASH DOWN FRO 2348' TO 2864'. CSG STUCK 136' FROM BOTTOM. TRY TO WORK CSG UP & DOWN W/O SUCCESS, TRY TO CIRC CSG W/O SUCCESS. RUWL, RIH W/ FREEPOINT, PIPE 100% FREE @ 1550' & 100% STUCK @ 1575', POOH. ND BOP, SET SLIPS & CUT CSG, WELD ON SLIP COLLAR FOR HEAD, NU BOP. RIH W/ 7-7/8" BIT & DRILL OUT FLOAT COLLAR & SHOE TO TD @ 3000', POOH. RIH W/ 8-5/8" RTTS PKR & SET @ 2797'. PRESS 8-5/8" X 4-1/2" ANNULUS TO 2200#, ATTEMPT TO EIR DOWN DP, PRESS TO 3700#, REL PKR, POOH. PERF 4 SQUEEZE HOLES @ 1500', EIR OF 4BPM @ 1000#, M&P 400sx CL C CMT 65:35 POZ FOLLOWED BY 200sx CL C CMT W/ 2% CACL2, WOC 4hrs. RIH W/ TEMP SVY, TAG @ 1512', NO CMT BEHIND PIPE. RIH W/ 2nd SVY, SAME RESULTS. RIH W/ CMR RET & SET @ 1403', EIR OF 2.5BPM @ 1500#, M&P 100SX CL H W/ 10#/sx GYP, DISP TO CR, STING OUT OF CR & DUMP 1sx CMT ON CR, ND BOP, NDWH, PULL 8-5/8" SLIPS. PER BLM, SHANNON SHAW'S APPROVAL, RIH W/ 1" TBG & TAG @ 600', COULDN'T GET DEEPER, CMT W/ 50sx CL H CMT W/ 10# GYP, POOH, WOC 1.5hrs. RIH W/ 1" & TAG @ 505', CMT W/ 50sx CL H CMT W/ 10# GYP, POOH, WOC 1.5hrs. RIH W/ 1" & TAG @ 503', CMT W/ 200sx CL C CMT 65:35 POZ, POOH, WOC 2hrs. RIH W/ 1" & TAG @ 455', CMT W/ 125sx CL C CMT W/ 3% CACL2, POOH, WOC 2hrs. RIH W/ 1" & TAG @ 68', CMT W/ 45sx CL C CMT W/ 3% CACL2, CMT CIRCULATED, POOH, WOC 4hrs. NU WH & BOP & TEST TO 2000#, HELD OK, RIH & TAG @ 1390'. DO CR & 180' CMT, TIH TO 2848' & WASH DOWN TO 3000', CHC. RIH W/ BHA, ATTEMPT TO RESUME DRLG & LOST ALL RETURNS. RIH W/ RTTS & SET @ 1625', TEST SQZ HOLES @ 1500' TO 800#, EIR DOWN DP OF 5.5BPM @ 800#. RIH & SET CMT RET @ 2743', PRESS CSG TO 500# HELD OK. EIR OF 4BPM @ 200#, M&P 275SX CL C 65:35 POZ W/ 6% GEL + 5#/sx SALT + .25# CELLOPHANE + 10# GILSONITE, FOLLOWED BY 200sx THIXOTROPIC CMT, POOH, WOC-8hrs. RIH & TAG @ 2733', CR & CMT TO 2850', FELL FREE, CHC, POOH. CHANGE BHA & BIT, RIH & DRILL AHEAD W/ FULL CIRCULATION, 2/5/96.