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|----------------------------|--|-----------------------------------|
| Well Name: GAINES 28 COM | Well Location: T24S / R29E / SEC 28 / NENE / | County or Parish/State: EDDY / NM |
| Well Number: 1 | Type of Well: OIL WELL | Allottee or Tribe Name: |
| Lease Number: NMNM94651 | Unit or CA Name: GAINES 28 FED COM 1 | Unit or CA Number: NMNM126642 |
| US Well Number: 3001535353 | Well Status: Producing Oil Well | Operator: OXY USA INCORPORATED |

Accepted for record – NMOCD gc 6/29/2021

Notice of Intent

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| Type of Submission: Notice of Intent | Type of Action Plug and Abandonment |
| Date Sundry Submitted: 02/03/2021 | Time Sundry Submitted: 03:45 |
| Date proposed operation will begin: 08/02/2021 | |

Procedure Description: OXY requests plug and abandon approval for this well. Below is the proposed plan and attached are the current and proposed WBDs. Oxy requests one year to plug and abandon the wellbore. Gaines 28 Com #001 – 30-015-35353; TD- 10575' MD/ 7613' V; PBTD- 10513' M/ 7614' V; Perfs- 8264' – 10400 ' 13-3/8" 48# csg @ 550' w/ 725sx, 17-1/2" hole, TOC-Surf-Circ 9-5/8"36# csg @ 2873' w/ 1050sx, 12-1/4" hole, TOC-Surf-Circ 5-1/2" 17# csg @ 10575' w/ 2100sx, 8-1/2" hole to 8000', 7-7/8" hole from 8000' to 10575'MD, TOC-710'-CBL 1. POOH with tubing and production equipment. 2. RIH and set CIBP at 8214', Tag CIBP, dump bail 35' class h cmt to 8179' WOC 3. M&P 25sx class c cmt from 6724' to 6532" WOC-Tag 4. M&P 25sx class c cmt from 5086' to 4894' WOC-Tag 5. M&P 25sx class c cmt from 3860' to 3668' WOC-Tag 6. M&P 45sx class c cmt from 3004' to 2675' WOC-Tag 7. Perf @ 550', sqz 240sx class c cmt from 600' to Surface. 10# MLF between plugs - Above ground steel tanks will be utilized

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Gaines28Com1_P_A_WBDCurrent_Proposed_20210203152659.pdf

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Conditions of Approval

Specialist Review

Plugging_COA_and_Reclamation_20210222041317.pdf

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: MESSER
Name: OXY USA INCORPORATED
Title: REGULATORY LEAD
Street Address: 5 Greenway Plaza, Suite 110
City: Houston **State:** TX
Phone: (713) 366-5716
Email address: NOT ENTERED

Signed on: FEB 03, 2021 03:45 PM

Field Representative

Representative Name:
Street Address:
City: **State:** **Zip:**
Phone:
Email address:

BLM Point of Contact

BLM POC Name: ZOTA M STEVENS
BLM POC Phone: 5752345998
Disposition: Approved
Signature: Zota Stevens
BLM POC Title: Petroleum Engineer
BLM POC Email Address: ZSTEVENS@BLM.GOV
Disposition Date: 02/22/2021

OXY USA Inc. - Proposed
Gaines 28 Com #001
API No. 30-015-35353

Perf @ 550', sqz 240sx class c cmt from 600' to surface

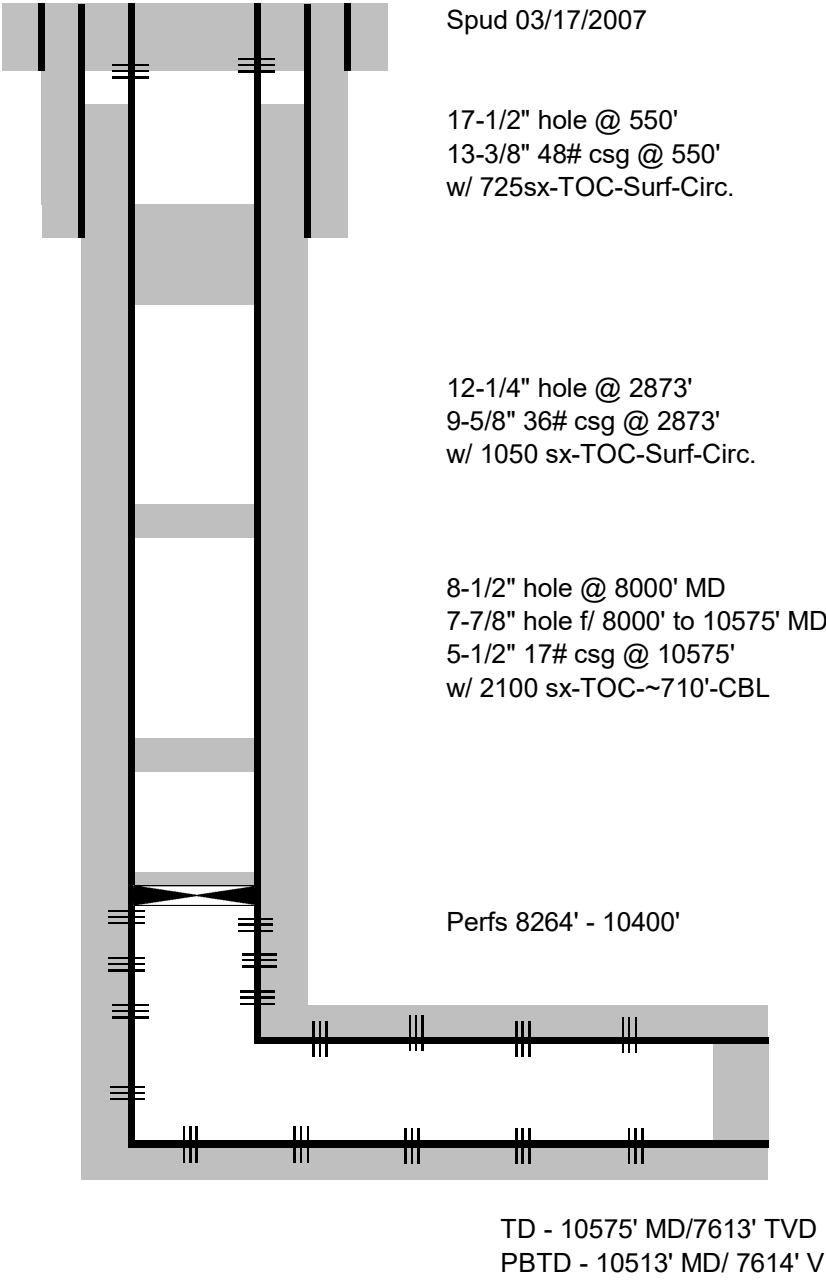
M&P 45sx class c cmt from 3004' to 2675' WOC-Tag

M&P 25sx class c cmt from 3860' to 3668' WOC-Tag

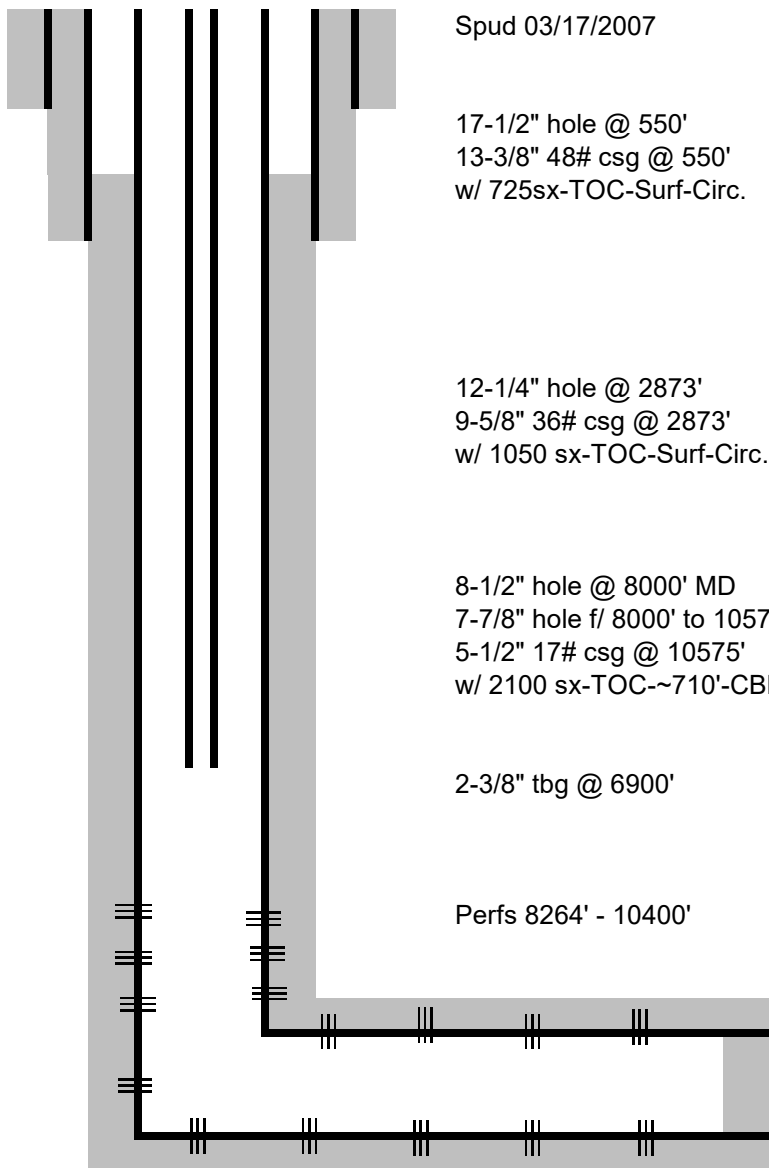
M&P 25sx class c cmt from 5086' to 4894' WOC-Tag

M&P 25sx class c cmt from 6724' to 6532' WOC-Tag

CIBP @ 8214', Tag, Dump 35' class h cmt to 8179' WOC



OXY USA Inc. - Current
Gaines 28 Com #001
API No. 30-015-35353



TD - 10575' MD/7613' TVD
PBSD - 10513' MD/ 7614' V

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines (**Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure**). Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you

have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Crisha Morgan
Environmental Protection Specialist
575-234-5987

Melissa Horn
Environmental Protection Specialist
575-234-5951

Kelsey Wade
Environmental Protection Specialist
575-234-2220

Trishia Bad Bear, Hobbs Field Station
Natural Resource Specialist
575-393-3612

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 33349

CONDITIONS

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|--|---|
| Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294 | OGRID: 16696 |
| | Action Number: 33349 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| gcordero | None | 6/29/2021 |