

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

SWD

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)

NWNW(D) Sec 4 T24S R31E

5. Lease Serial No.

NMNM104730

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Sundance 4 #32
Federal

9. API Well No.

30-015- 38393

10. Field and Pool, or Exploratory Area
Sand Dunes 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

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.)

Plugs were approved on day by day basis while attempting to salvage hole.

RECEIVED

OCT 05 2011

NMOCD ARTESIA

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

Title Drilling Engineer

Date 03/08/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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 unlawful 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.

NMOCD

Sundance 4 # 32 SWD

API: 30-015-38393

Notice of Intent Sundance 4 # 32 SWD Well – Plug and abandon

Surface Interval - Summary of Events:

Sundance 4 # 32 SWD well was spudded on 2/24/2011.

Drilling operations commenced and surface hole was finished to 495' on 2/26/2011. Ran 11 ¾" casing and performed cement job with 410 sx of Premium Plus cement (14.8 ppg, 1.35 yield) and had 220 sx (55 bbl) of cement back to surface

Several attempts were made to re-test casing with no success including running cup type tester and packer to isolate possible casing leak. Casing tally indicates first casing collar to be located at 32.2' from RT. Decision is made to pump cement plugs inside surface casing to seal possible leak (approval granted by BLM via phone conference with Mr. Wesley Ingram). Detailed operation events attached in drilling log.

Plan Forward:

Plug #1: from 433' (top of cement from primary cement job) to 250' pumping 80 sx (19.2 bbl) of Premium Plus cement (14.8 ppg) with 2% Calcium Chloride

Plug #2: From 250' to 46' with 130 sx (31 bbl) Premium Plus 14.8 ppg

After waiting on cement, plan to test casing again by closing blind rams with 1500 psi, and perfume same with pipe rams and cup type tester. If test are not successful, plan to pump third cement plug

Plug # 3: From 46' to 26' (5.5' below well head) pumping 50 sx (10.5 bbl) Premium Plus cement with 3% Calcium Chloride, had 5.5 bbl to surface.

Replace Blind Rams before perform pressure tests. If unsuccessful plan to set blind flange on wellhead and submit request to abandon Sundance 4 # 32 SWD well due to the events encountered and skid over drilling rig.