Form 3160-5 (April 2004)

OCD-ARTESIA UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

NM0354232 6 If Indian, Allottee or Tribe Name

abandoned well. Use Form 3160 - 3 (APD) for so	ich proposals.
SUBMIT IN TRIPLICATE- Other instructions or	7: If Unit or CA/Agreement, Name and/or No.
1. Type of Well Oil Well Gas Well Other	8. Well Name and No.
2. Name of Operator OXY USA WTP LP	192463 Elizando A Federa (#27
	. (include area code) 30-015-2(337
4. Location of Well (Footage, Sec , T., R., M., or Survey Description)	La Huerta Strawn Motoka
1880 FSL MBO FWL NESW(K) Secal Tals	R27E 11. County or Parish, State Eddy NM
12. CHECK APPROPRIATE BOX(ES) TO INDICATE	NATURE OF NÓTICE, REPORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION
Acidize Deepen Alter Casing Fracture To Subsequent Report Casing Repair New Cons Change Plans Plug and A Final Abandonment Notice Convert to Injection Plug Back	ruction Recomplete Other
following completion of the involved operations. If the operation results in a multesting has been completed. Final Abandonment Notices shall be filed only after determined that the site is ready for final inspection.) TD-11742' PBTD-11038' Perfs-10560-10895' CIBP @ OXY USA WTP LP respectfully requests to temporarily aban Wolfcamp recompletion.	don this well. It is currently being evaluated for possible
 RIH & set CIBP @ 10510', M&P 35sx cmt to 10295'. PUH, M&P 35sx cmt @ 9945-9745' WOC-Tag 	SeecoAs
 RIH & set CIBP @ 10510', M&P 35sx cmt to 10295'. Class H 1.06yld 16.4 H See CoAs PUH, M&P 35sx cmt @ 9945-9745' WOC-Tag Class H 1.06yld 16.4 H Notify BLM/NMOCD of casing integrity test 24hrs in advance. RECEIVED	
4. RU pump truck, circulate well with treated water, pres.	!
	NMOCD ARTES
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	Accepted for recor
David Stewart	Title Regulatory Advisor NMOCD & T
Signature .	Date 3/8/12 3/21/12
THIS SPACE FOR FEDERAL	
Approved by /s/ JD Whitlock Jr Conditions of approval, if any, are attached. Approval of this notice does not warra certify that the applicant holds legal or equitable title to those rights in the subject lewhich would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any States any false, fictitious or fraudulent statements or representations as to any matte	person knowingly and willfully to make to any denautment of agency of the United

(Instructions on page 2)

OXY USA WTP LP - Proposed Elizondo A Federal #2Y API No. 30-015-21337

> 26" hole @ 395' 20" csg @ 394' w/ 780sx-TOC-Surf-Circ

17-1/2" hole @ 1654' 13-3/8" csg @ 1654' w/ 2675sx-TOC-Surf-Circ

12-1/4" hole @ 3005' 9-5/8" csg @ 3005' w/ 1475sx-TOC-Surf-Circ

1989-Repl 4298' 5-1/2" csg w/ FOT @ 4298' cmt w/ 800sx-TOC-1039'-Calc

8-3/4" hole @ 11742' 5-1/2" csg @ 11742' w/ 1100sx-TOC-8700'-TS

Perfs @ 10560-10569' Perfs @ 10709-10895'

Perfs @ 11133-11684'

35sx @ 9945-9745' WOC-Tag

CIBP @ 10510' w/ 35sx to 10295'

4/92-CIBP @ 11080' w/ 4sx to 11038'

OXY USA WTP LP - Current Elizondo A Federal #2Y API No. 30-015-21337

26" hole @ 395' 20" csg @ 394' w/ 780sx-TOC-Surf-Circ

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

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

- 1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
- 2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, placed with tubing.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
- 3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

- 1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval with well bore diagram with all perforations and CIBP's and tops of cement on CIBP's.
- 2. Describes the temporary abandonment procedure.
- 3. Attaches a clear copy or the original of the pressure test chart.
- 4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- 1. A procedure to repair the casing so that a TA approval can be granted.
- 2. A procedure to plug and abandon the well.

Elizondo A Fed. 2Y

- 1. See Permanent Abandonment COAs attached, for plug back operations.
- 2. Well may be approved to be TA/SI for a period of 90 days or until 6/19/2012 after successful MIT and subsequent report is submitted.
- 3. This will be the last TA approval for this well.
- 4. Must submit NOI to recomplete or a NOI to P&A. Must be submitted by June 19, 2012.

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Permanent Abandonment of Production Zone 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 <u>ninety (90)</u> days from this approval.

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

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.
- 3. <u>Blowout Preventers</u>: 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement</u>: 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. Before pumping 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. <u>Subsequent Plug back Reporting:</u> Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back 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 work was completed.**
- 7. <u>Trash:</u> 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.