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

| - | | | | | at INO. | |
|--|---|--|---|---|---|--|
| 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. | | | | NM- | 6. If Indian, Allottee or Tribe Name | |
| | | | | 6. If Indian | | |
| SUBMIT IN TRIPLICATE- Other instructions on reverse side. | | | | 7. If Unit o | 7. If Unit or CA/Agreement, Name and/or No. | |
| 1. Type of Well Oil Well. Gas Well Other | | | | 8. Well Na | 8. Well Name and No. | |
| 2. Name of Operator OXY USA WTP LP 192463 | | | | 5mite | 5mith Federal #4 | |
| 3a. Address 3b. Phone No. P.O. Box 50250 Midland, TX 79710 432-685-5 | | | (include area code) | clude area code) 30-015-32957 10. Field and Pool, or Exploratory Area | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | 11. County or Parish, State Eddy WM | |
| 1511 FNL 839 FEL SENE (H) SECIL TERS | | | | 11. County | | |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | | | | |
| TYPE OF SUBMISSION TYPE OF ACTION | | | | | | |
| Notice of Intent Subsequent Report | Acidize Alter Casing Casing Repair | Deepen Fracture Tree New Constr | rat Reclamation | | Water Shut-Off Well Integrity Other | |
| Final Abandonment Notice | Change Plans Convert to Injection | Plug and Al | pandon Temporarily Water Dispo | | Popposed Work. | |
| Attach the Bond under which the following completion of the invo | work will be performed or prolved operations. If the operation of Abandonment Notices shall be for final inspection.) | vide the Bond No. n results in a multi e filed only after a ACC | on file with BLM/BIA. Recorded completion or recompletion or recompletion or requirements, including recorded for recompletic NMOCD DEC 0220 | quired subsequent on in a new intervalamation, have been ord | hs of all pertinent markers and zones. reports shall be filed within 30 days al, a Form 3160-4 shall be filed once en completed, and the operator has RECEIVED NOV 2 2 2011 MOCD ARTESIA | |
| 14 I hereby certify that the foreg Name (Printed/Typed) David Stewart | oing is true and correct | | Title Regulatory Adviso | r | | |
| Simple 1 | | | Date Illi | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | |
| | A CO | ILUERAL | OR STATE OFFIC | ,E U3E | | |
| Approved by Conditions of approval, if any, are attached. Approval of this notice does not warrar 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. | | | | | Date 11-20-11 | |
| The state of the s | | | | | | |

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.

Smith Federal #4 API No. 30-015-32957

Recompletion summary

9/28/11- Ran Schlumberger USIT log to evaluate casing and cement integrity. The evidence of cement was questionable near and above the planned completion interval. The primary cement job was foamed cement, which is difficult to evaluate with any log.

10/19/11- Move in pulling unit and rigged up. Began to plug back all zones below the Yeso as stated in the approved sundry.

10/19-31/11-Plug backed well as stated in the approved sundry.

10/31/11-Set CIBP at 2700'. Plug back of all zones below the Yeso complete. Ran 2nd Schlumberger USIT log to evaluate casing and cement. Even after 2nd log, which was calibrated for light cement and run with 500 psi on the casing, cement integrity was still questionable based on the log. The amount of cement for this log was better than the previous, but still questionable.

11/1/11 -After talking with Chris Walls (BLM), perforated at 2000' to test if cement was behind the casing. Pressured up to 1500 psi and held.

11/2/11 -Perforated lower Yeso from 2500'-2570' (90 holes).

11/3/11 -Set packer at 2450'. Started swabbing.

11/3-5/11-Swabbed the lower Yeso.

11/7/11 -Decision made to abandon the lower Yeso. Dropped plug in packer. Perforated the upper Yeso from 2100' – 2225' (80 holes). Set packer at 2145'. Tested casing, and perfs at 2000', to 1000 psi and held. Pumped 2000 gal 15% HCl followed by 5000 gal 2% KCl. When the formation broke at 2400 psi pressures was noticed on the casing/tubing annulus. After the 7000 gallons of fluid was pumped the casing/tubing annulus pressure was 1000 psi. Moved packer up to 1950'. Tested casing to 1000 psi and held. Frac'd upper Yeso with 90,000 gal fluid and 126,000 pounds of sand. Max pressure was 3100 psi and shut in pressure was 2600 psi.

11/8/11 -Left well shut in for resin to cure.

OXY Proposed Plan

As we discussed, our requested plan forward is to flow the well back until it will no longer flow. Once the well is dead we will run a injection profile and tracer survey to determine where fluid is leaving the well bore and look for any fluid moving behind the casing above the perfs at 2100' or above 1945' (current packer depth). If no fluid is moving up above 2100' we would like to pull the packer, clean out sand to PBTD and run production equipment. If there is fluid moving up above 2100' we will squeeze the perforations at 2000', then clean out sand to PBTD and run production equipment..

BLM-Wesley Ingram-Approved Plan

I will give a verbal approval at 0930 hours 11/10/2011 for continuing the well flow until it dies and for the injection profile/tracer survey. The perforations at 2000' will need to be squeezed in either case as they are within the San Andres and even if there is no flow, there is still a long term possibility of unapproved downhole commingle between the Yeso and San Andres. A pressure test will be required after the squeeze and shall be witnessed by the BLM.