

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

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 ☐ Other2. Name of Operator
OXY USA Inc.

16696

3a. Address
P.O. Box 50250 Midland, TX 797103b. Phone No. (include area code)
432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

S-330 FNL 2310 FEL NWNE (B) Sec 19 T25S R27E
B4-317 FSL 1870 FEL SWSE (O) " " "

5. Lease Serial No.

NMMN 167368

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Peaches 19 Federal #1H

9. API Well No.

30-015-40250

10. Field and Pool, or Exploratory Area

Cottonwood Draw Bone Springs

11. County or Parish, State

Edley 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 Flare Gas

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 site is ready for final inspection.)

RECEIVED

JAN 08 2013

NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record

NMOCD

SEE ATTACHED

APPROVED

JAN 6 2013

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title Regulatory Advisor

Signature

Date

12/12/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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, 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.

(Instructions on page 2)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant OKY USA Inc.
whose address is P.O. Box 50250 Midland, TX 79710
hereby requests an exception to Rule 19.15.18.12 for 120 days or until
April 15, Yr 2013, for the following described tank battery (or LACT):
Name of Lease Peaches 19 Federal #114 Name of Pool Cottonwood Draw Bone Springs
APIN 30-015-40250
Location of Battery: Unit Letter B Section 19 Township 25S Range 27E
Number of wells producing into battery 1
- B. Based upon oil production of 233 barrels per day, the estimated * volume
of gas to be flared is 262 MCF; Value \$830 per day.
- C. Name and location of nearest gas gathering facility:
Enterprise Lat: 32.122352 Long: 104.245895
- D. Distance 1.37 miles Estimated cost of connection \$230,000
- E. This exception is requested for the following reasons:
See Attached

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

Signature [Signature]

Printed Name
& Title David Stewart - Reg. Adv.

E-mail Address david_stewart@oxy.com

Date 12/16/12 Telephone No. 432-685-5717

OIL CONSERVATION DIVISION

Approved Until _____

By _____

Title _____

Date _____

* Gas-Oil ratio test may be required to verify estimated gas volume.

Attachment C-129

Peaches 19 Federal #1H

API No. 42-015-40250

Sec 19 T25S R27E, Eddy Cty, NM

The Peaches 19 Federal 1H planned to sell to Company A at a line pressure of 100 to 50 psi. The scope of sales point changed due that Company A has limited capacity. Therefore went to Company B which currently does not have sales capacity limitations but it has higher sales line pressure of an estimated pressure of 370 psi. For the high pressure sales point a compressor has to be installed which requires 3-4 months permit process. This leaves Peaches 19 Federal 1H with limited short term production options.

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

Oxy USA Inc.
Peaches 19 Federal #1H
NM107368 3001540250

January 6, 2013

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.