

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 07 2013

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

5. Lease Serial No.
NMNM0473362

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
SW633

8. Well Name and No.
DERO FED COMM 2

9. API Well No.
30-015-20973-00-S1

10. Field and Pool, or Exploratory
WINCHESTER

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

OXY USA INCORPORATED

Contact: JENNIFER A DUARTE

E-Mail: jennifer_duarte@oxy.com

3a. Address

5 GREENWAY PLAZA STE 110
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)

Ph: 713-513-6640

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

Sec 35 T19S R28E SESW 660FSL 1980FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☒ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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.)

Part 1 ? Establishing Free Pipe

1. Inspect wellhead and all surface gauges

2. MIRU WOR and NU BOP (as necessary since rig may already be on location)

3. Record any pressures on the wellhead ? wellbore must be static/dead

a. If needed kill the well with 10ppg brine or high if necessary

4. Attempt to latch on and release slips on the 4 ?? production casing

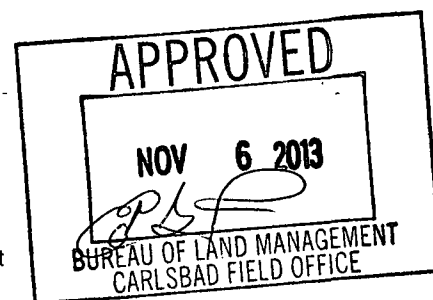
a. The slips must be free with a degree of movement in tension on the 4 ?? to successfully determine free pipe

5. MIRU WL and RIH w/ Free point tool

a. Log from PBDT to surf and send results to engineer and await further instruction Part 2 and Part 3 to follow depending on results

COMPLETED: 07/29/13

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #216182 verified by the BLM Well Information System

For OXY USA INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by JOHNNY DICKERSON on 08/09/2013 (13JLD1074SE)

Name (Printed/Typed) JENNIFER A DUARTE

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 08/06/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

Date 11/06/2013

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 Carlsbad

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.

Additional data for EC transaction #216182 that would not fit on the form

32. Additional remarks, continued

? from 4150? to surface 100% free

? From 4150? to 8820? (PBTD) stuck

Part 2 ? Establishing Circulation and Back off bad Casing

See COA

1. Inspect wellhead and all surface gauges.

2. MIRU WOR and Reverse Unit (as necessary since rig may already be on location)

a. NU BOP

3. MIRU WL and RIH with Stringshot

a. Discharge at the collar found at ~ 3550?

b. This collar will serve as our back off point

4. POOH w/ Stringshot and RIH with freepoint

5. RU Casing Crew and PU/LD machine and test to see that the correct joint is being backed off

a. POOH w/ freepoint and RD WL

6. RIH w/ 2 3/8? flush joint tubing w/ 4 ?? X 2 3/8? packer and set at ~3750?

a. The tubing will be used as a guide once the casing is backed off and the new joints are ready for installation

7. Unscrew the casing and PU one joint of 4 ?? casing

a. Reset the Casing on the slips

8. MIRU Pump Truck

9. Circulate fresh water out the bottom of the open casing section and up the annulus through the bradenhead

a. Attempt the establish a rate of 4 bbls/min

b. Do not exceed 800 psi

10. After this first cycle for fresh water switch to pumping a viscous peel

a. Stop circulation when this fluid reaches the bradenhead as before

b. This ends cycle 2

11. Lastly for the 3rd cycle switch back to fresh water until this 3rd cycle is seen at the bradenhead

a. Make a note of any cuttings or debris being flushed out during this process along with the peel

12. RD Pump Truck and RU Casing Crew

13. POOH w/ ~ 3550? of 4 ?? casing

See COA

14. Lay down all joints of casing on racks and replace bad casing as necessary

15. RIH w/ new/good casing and attempt to set and screw into the backed off joint

16. Slack off and Stack out

17. RDMO Casing Crew and PU/LD machine

18. MIRU welder and cut 4 ?? casing at surface as appropriate

19. Pressure test the casing down the annulus of the tubing and packer assembly

a. If it holds pressure POOH with tubing and packer and proceed to part 3 of this procedure titled Cement Squeeze

Part 3 ? Cement Squeeze

1. MIRU WOR and Reverse Unit (as necessary since rig may already be on location). NU BOP

3. MIRU WL and RIH with perf guns

a. Shoot one entry point at 6800?; POOH with guns and RD WL;

4. Attempt to establish circulation out of the hole and out the bradenhead

5. RIH with cement retainer and 2 3/8? tubing and set @ 6770? or approximately 30? above the squeeze hole

See COA

6. MIRU Cementing Equipment

7. Mix and Pump 1100 sxs of cement down the tubing and out the squeeze hole @ 6800?. WOC.

8. MIRU WOR w/ 3 3/4? mill bit and 4 1/2? Scraper

a. Drill out cement retainer and any remaining cement in well bore to the top of the Wolfcamp Plug (approx. 8821?)

10. POOH w/ bit and string and follow the steps recommended in the original procedure for well logging and perforating

DERO Fed 2 (8/21/2013)

Part 1 – Establishing Free Pipe

1. Inspect wellhead and all surface gauges
2. MIRU WOR and NU BOP (as necessary since rig may already be on location)
3. Record any pressures on the wellhead – wellbore must be static/dead
 - a. If needed kill the well with 10ppg brine or high if necessary
4. Attempt to latch on and release slips on the 4 ½" production casing
 - a. The slips must be free with a degree of movement in tension on the 4 ½" to successfully determine free pipe
5. MIRU WL and RIH w/ Free point tool
 - a. Log from PBTD to surf and send results to engineer and await further instruction Part 2 and Part 3 to follow depending on results

COMPLETED: 07/29/13

- from 4150' to surface 100% free
- From 4150' to 8820' (PBTD) stuck

Part 2 – Establishing Circulation and Back off bad Casing

See COA

1. Inspect wellhead and all surface gauges.
2. MIRU WOR and Reverse Unit (as necessary since rig may already be on location)
 - a. NU BOP
3. MIRU WL and RIH with Stringshot
 - a. Discharge at the collar found at ~ 3550'
 - b. This collar will serve as our back off point
4. POOH w/ Stringshot and RIH with freepoint
5. RU Casing Crew and PU/LD machine and test to see that the correct joint is being backed off
 - a. POOH w/ freepoint and RD WL
6. RIH w/ 2 3/8" flush joint tubing w/ 4 ½" X 2 3/8" packer and set at ~3750'
 - a. The tubing will be used as a guide once the casing is backed off and the new joints are ready for installation
7. Unscrew the casing and PU one joint of 4 ½" casing
 - a. Reset the Casing on the slips
8. MIRU Pump Truck
9. Circulate fresh water out the bottom of the open casing section and up the annulus through the bradenhead
 - a. Attempt the establish a rate of 4 bbls/min
 - b. Do not exceed 800 psi
10. After this first cycle for fresh water switch to pumping a viscous peel
 - a. Stop circulation when this fluid reaches the bradenhead as before

- b. This ends cycle 2
- 11. Lastly for the 3rd cycle switch back to fresh water until this 3rd cycle is seen at the bradenhead
 - a. Make a note of any cuttings or debris being flushed out during this process along with the peel
- 12. RD Pump Truck and RU Casing Crew
- 13. POOH w/ ~ 3550' of 4 ½" casing *See COA*
- 14. Lay down all joints of casing on racks and replace bad casing as necessary
 - a. Replace with identical casing
 - i. 4 ½" , 13.5# , L-80
- 15. RIH w/ new casing(replacing all bad joints) and attempt to set and screw into the backed off joint
- 16. Slack off and Stack out
- 17. RDMO Casing Crew and PU/LD machine
- 18. MIRU welder and cut 4 ½" casing at surface as appropriate
- 19. Pressure test the casing down the annulus of the tubing and packer assembly to 1500psi
 - a. If it holds pressure POOH with tubing and packer and proceed to part 3 of this procedure titled Cement Squeeze

Part 3 – Cement Squeeze

- 1. Inspect wellhead and all surface gauges.
- 2. MIRU WOR and Reverse Unit (as necessary since rig may already be on location)
 - a. NU BOP
- 3. MIRU WL and RIH with perf guns
 - a. Shoot one entry point at 6800'
 - b. POOH with guns and RD WL
- 4. Attempt to establish circulation out of the hole and out the bradenhead
 - a. Max of 4 BPM or 800 psi
 - b. Report % returns to the engineer
 - i. NOTE: the Tubing/Casing Annulus should be closed and the pressure monitored throughout this procedure
- 5. RIH with cement retainer and 2 3/8" tubing and set @ 6770' or approximately 30' above the squeeze hole
 - a. Pump 10 bbls of water through retainer and out the squeeze hole to ensure a clear path for the cement
- 6. MIRU Cementing Equipment
 - a. Install a 3000 Psi gauge on the annulus to monitor pressure
 - b. Conduct safety meeting for cementing ops
 - c. Test all lines to 3000 psi
- 7. Mix and Pump 800 sacks of cement down the tubing and out the squeeze hole @ 6800' *See COA*
 - a. Cementing Procedure Details:

- i. Lead - 460 sacks Class C Light Cement 2 cuft/sack , 10.2ppg
 - ii. Tail - 340 sacks Class H with 2% CaCl 1.32 cuft/sacks, 13.2 ppg
- b.** Sting out of retainer and POOH w/ all tubing
- 8.** Wait for approximately 6 hrs on cement to set
- 9.** MIRU WOR w/ 3 3/4" mill bit and 4 1/2" Scraper
 - a. Drill out cement retainer and any remaining cement in well bore to the top of the Wolfcamp Plug (approx. 8821')
- 10.** POOH w/ bit and string and follow the steps recommended in the original procedure for well logging and perforating

660' FSL, 1980' FWL, Sec. 35, T19S, R28E, Eddy Co., NM
Winchester Wolfcamp Area

OXY USA INC
Dero Federal Com 2
30-015-20973
Abel Andrade 08/03/13

CURRENT

12 3/4" @ 302'
w/350sx-TOC-Surf-Circ

8 5/8", 24-35# @ 2397'
w/300sx-TOC at 1170' (Temp Survey)

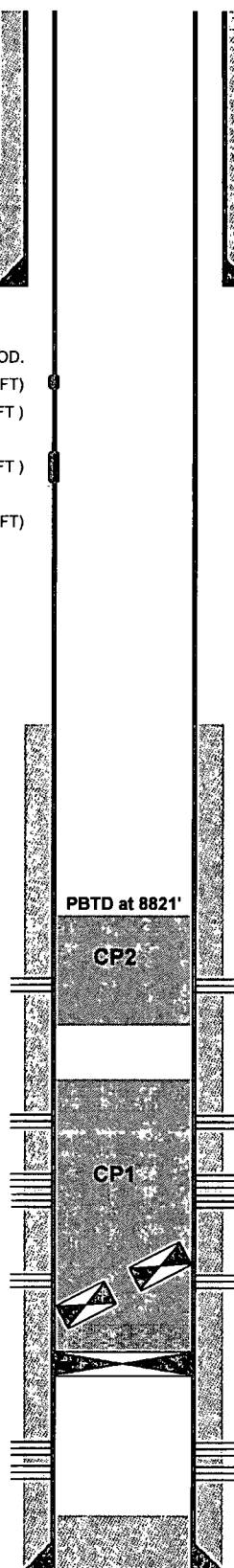
FROM SURFACE TO 2728' CASING TESTED GOOD.
FROM 2728' TO 2793' TESTED BAD CASING (65 FT)
FROM 2793' TO 2858' CASING TESTED GOOD (65 FT)

FROM 2858' TO 3195' TESTED BAD CASING (337 FT)
FROM 3195 TO 8821 (TOP OF CP2) CASING TESTED GOOD (6785 FT)

TOC at 7932' - CBL 07/16/2013

CP2 from 8821' to 9450'
36 sx of class "H cement 15.6 ppg

CP1 from 9980' to 10982'
86 sx of class "H cement 15.6 ppg



Wolfcamp Perforations
9051'-9377' SQUEEZED ON 10/8/79

Strawn Perforations
10087'-10114' SQUEEZED ON 10/12/79

Atoka Perforations
10574'-10581' SQUEEZED ON 7/28/82
10768'-10818' SQUEEZED ON 7/28/82
Top of fish at 10982'

Upper Morrow Perforations
11024'-11087' (7/12/82)

35' of cement
CIBP @ 11145' (7/11/82)

Lower Morrow Perforations
11167'-11179' (7/6/82)
11184'-11186' (7/6/82)

4 1/2", 13.5-11.6# @ 11252'
w/770sx - TOC at 7900'
TD 11252'