Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
OCD Artesia
FEB 21 2014
NMOCD ARTESIA

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM29233

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: ~~INJECTION~~ WDW

8. Well Name and No.
FEDERAL 12 1

2. Name of Operator
OXY USA INC
Contact: DAVID STEWART
E-Mail: david_stewart@oxy.com

9. API Well No.
30-015-26742

3a. Address
P.O. BOX 50250
MIDLAND, TX 79710

3b. Phone No. (include area code)
Ph: 432-685-5717
Fx: 432-685-5742

10. Field and Pool, or Exploratory
LIVINGSTON RIDGE DELAWARE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 12 T22S R31E SWSW 660FSL 660FWL
32.400570 N Lat, 103.737910 W Lon

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

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 recomplete 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 recompletion 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.)

Per Chris Walls, this Sundry is being re-filed, it was originally filed 4/15/13 and approved by Jennifer Mason 7/2/13, (204379).

Federal 12 #1 ? 30-015-26742

13-3/8" 54.5# csg @ 828' w/ 950sx, 17-1/2" hole, TOC-Surf-Circ
8-5/8" 24-32# csg @ 4325' w/ 1900sx, 11" hole, TOC-Surf-Circ
5-1/2" 15.5-17# csg @ 8439' w/ 1402sx, 7-7/8" hole, TOC-5765'-CBL

1. MI& RU Rig. ND WH and NU BOP.

2. PR&P and LD Same. P Tbg and LD.

SUBJECT TO LIKE APPROVAL BY STATE

SEE ATTACHED FOR CONDITIONS OF APPROVAL

SWD H23

BLM NOT AUTHORIZED FOR "WELL WITH A PACKER" CONDITIONS RT - NMOCD 3/6/14

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #212754 verified by the BLM Well Information System
For OXY USA INC, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 07/12/2013 ()

Name *(Printed/Typed)* DAVID STEWART — Title SR. REGULATORY ADVISOR

Signature (Electronic Submission) — Date 07/08/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By _____ Title _____ Date FEB 13 2014

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

/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #212754 that would not fit on the form

32. Additional remarks, continued

3. RU WLU. RIH and set CIBP @ 8220'. POOH.

4. RIH w/ WS and spot 25sx cmt on CIBP @ 8220'. POOH.

5. RIH w/ WL and set CIBP @ 6995'. RD WL.

6. RIH w/ WS and spot 25sx cmt on CIBP @ 6995'.

7. Pull up WS and spot 25sx cmt @ 6280-6115'. WOC and tag. POOH w/ WS.

8. RU WL. RIH and perf squeeze holes @ 5745'. RD WL.

9. PU cement retainer and RIH w/ WS. Set retainer above squeeze perfs @ +/-5725'.

10. RU cementers.

11. Maintain 500psi pressure in WS x 5-1/2" casing annulus to prevent casing collapse.

12. Establish circulation in 8-5/8" x 5-1/2" casing annulus through bradenhead by pumping 500g 15% HCl down work string followed by 200bbls freshwater. Do not exceed a 3400psi (70% of collapse pressure) bottomhole pressure.

13. After establishing circulation, pump 380sx cmt down WS. Do not exceed a 3400psi bottomhole pressure.

14. Displace cement out of WS.

15. POO retainer w/ WS.

16. Pull up WS and spot 25sx cmt at 5795-5645'.

17. POOH w/ WS.

18. RU WLU and run CBL from PBTD to surface. RD WL.

19. Obtain engineering approval before continuing.

20. Pressure test casing to 3700psi (70% of burst).

21. RD Rig. NU Frac valve.

22. RU WL. Perforate @ 4592-4962', RD WL.

23. RU Frac. Frac per Halliburton frac schedule.

24. RU Rig. CO to PBTD. RD Rig.

25. Flow back to frac tanks for five days or until well has died, whichever comes first.

26. RU WL. Re-perforate entire interval @ 4574-4963'.

27. RIH w/ WL and set injection packer @ +/-4524' w/ plug in profile nipple. RD WL.

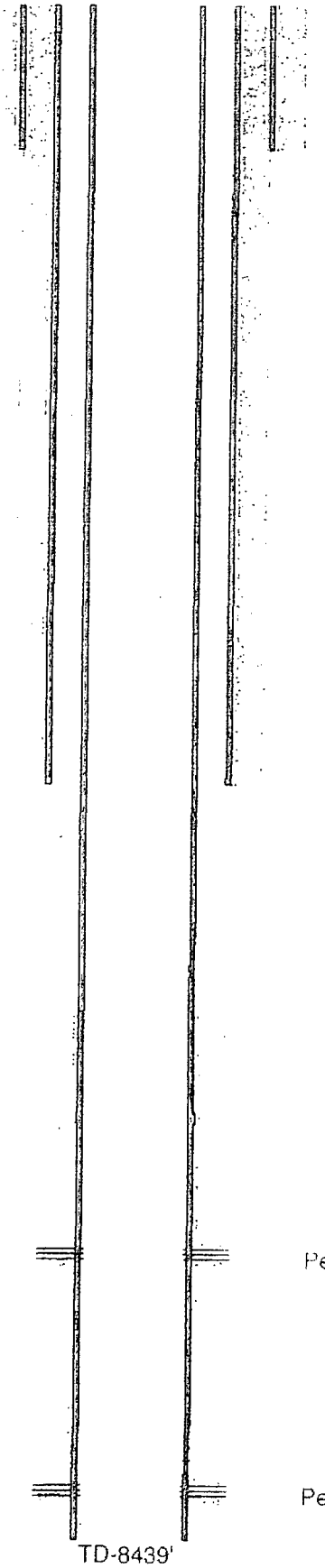
28. RU Rig. RIH w/ injection tubing and BHA and circulate pkr fluid.

29. Run an MIT pressure test on the well with a witness from the OCD. RD Rig. NU WH.

30. Place well on injection and report results to engineer.

WARNING: A POISONOUS GAS HYDROGEN SULFIDE (H2S) A HIGHLY TOXIC COLORLESS GAS THAT IS HEAVIER THAN AIR MAY BE PRESENT AT THIS LOCATION AND/OR PRESENT IN THE GAS AND LIQUIDS INJECTED OR PRODUCED FROM THIS WELL. PLANS MUST BE REVIEWED DEALING WITH H2S SAFETY PRIOR TO WORKING ON THIS WELL. CHECK WITH FOREMAN CONCERNING LOCAL CONDITIONS.

OXY USA WTP LP - Current
Federal 12 #1
API No. 30-015-26742



17-1/2" hole @ 828'
13-3/8" csg @ 828'
w/ 950sx-TOC-Surf-Circ

11" hole @ 4325'
8-5/8" csg @ 4325'
w/ 1900sx-TOC-Surf-Circ

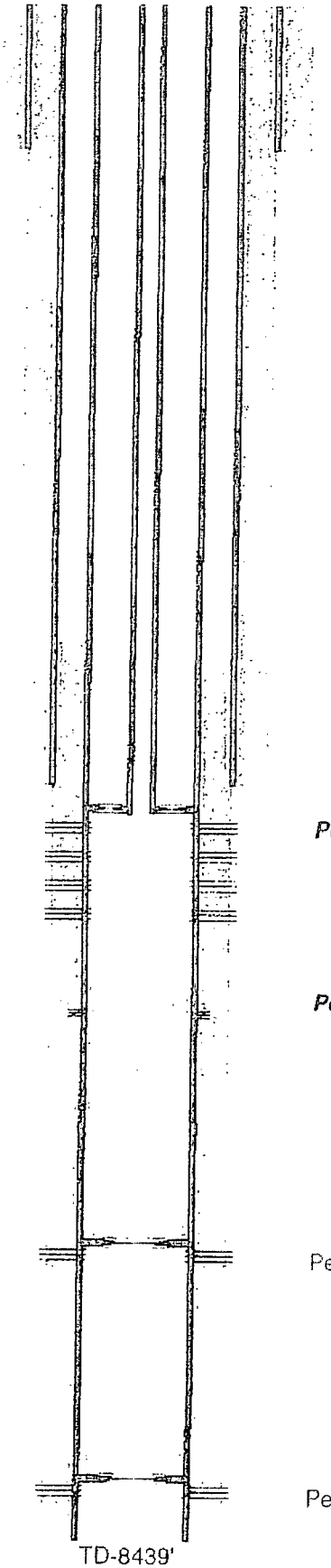
Perfs @ 7042-7074'

7-7/8" hole @ 8439'
5-1/2" csg @ 8439'
DVT @ 6197'
w/ 1402sx-TOC-5765'-CBL

Perfs @ 8270-8336'

TD-8439'

OXY USA WTP LP - Proposed
Federal 12 #1
API No. 30-015-26742



17-1/2" hole @ 828'
13-3/8" csg @ 828'
w/ 950sx-TOC-Surf-Circ

11" hole @ 4325'
8-5/8" csg @ 4325'
w/ 1900sx-TOC-Surf-Circ

2-7/8" 6.5# J55 compsite tbg &
nickel plated Arrow Set pkr @ 4524'

Perfs @ 4574-4963'

25sx @ 5795-5645' WOC-Tag

Perf @ 5745', sqz 380sx cmt to 3735'

25sx @ 6280-6115' WOC-Tag

CIBP @ 6995' w/ 25sx

Perfs @ 7042-7074'

7-7/8" hole @ 8439'
5-1/2" csg @ 8439'
DVT @ 6197'
w/ 1402sx-TOC-5765'-CBL

CIBP @ 8220' w/ 25sx

Perfs @ 8270-8336'

TD-8439'

Conditions of Approval

Oxy USA Inc
Federal 12 - 01
API 3001526742, T22S-R31E, Sec 12

February 13, 2014

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. Considering that the well is to be used for commercial water disposal a BLM Right of Way Agreement is to be secured before its use.
4. Notify BLM 575-200-7902 as work begins. Some procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
5. Casing added or replaced requires a prior notice of intent (BLM Form 3160-5) approval of the design.
6. Surface disturbance beyond the existing pad shall have prior approval.
7. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
8. Functional H_2S monitoring equipment shall be on location.
9. Blow Out Prevention Equipment 3000 (3M) to be used. All BOPE and workover procedures shall establish fail safe well control. A ram system including a blind ram and pipe ram(s) designed to close on all of the work string(s) used is required equipment. Manual BOP closure (hand wheels) equipment shall be available on location. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
10. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
11. **Notify BLM 575-200-7902 as work begins. Some procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.**

12. The BLM PET witness is to run tbg tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure as requested by BLM PET witness.
13. Class H > 7500ft & C < 7500ft) cement plugs(s) will be necessary. The minimum pumped volume of 25 sacks of cement slurry is to exceed a 100ft cement plug across the drilled wellbore. **Add 10% to the 100ft slurry volume for each 1000ft of plug depth.** For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft^3/sx, 6.3gal/sx water and "H" to be mixed 15.6#/gal, 1.18ft^3/sx, 5.2gal/sx water.
14. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
15. **STEP 3. Set CIBP at 8220'spot 25 sacks of class C cement on top. WOC and tag the plug. Should the tag be above 8040, proceed to STEP 5.**
16. **STEP 5. Set CIBP at 6995'spot 25 sacks of class C cement on top. WOC and tag the plug. Should the tag be above 6825'.**
17. **STEP 7. Okay**
18. **Prior to STEP 16 - Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 5700 (just above the retainer of Step 9) to top of cement. That TOC is to be a minimum of 500 feet above the 8 5/8" casing shoe of 4325. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**
19. **STEP 20 is to be BLM witnessed. Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval. Include a copy of the chart in the subsequent sundry for this workover.**
20. **Operator shall submit an evaluation of existing logs and shall perform production tests to verify that the injection formations(s) cannot produce paying quantities. That evaluation is to be reviewed by BLM prior to initiating injection.**
21. File intermediate **subsequent sundry** Form 3160-**5** within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
22. Submit the BLM Form 3160-**4 Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
23. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.
24. Approval is granted for disposal of water produced from the lease or communitization/unit agreement of this well only. An additional request (including authorization from the surface owner) is required for the well to receive other disposal fluids.
25. Approval is granted for disposal of water produced by the operator from the Delaware formations. Disposal of water from other sources requires that the well be designated as a commercial disposal well and requires further BLM **approvals.**

Well with a Packer - Operations

1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
3) Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
4) Make arrangements 24 hours before the test for BLM to witness. In Eddy County email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902, if there is no response, 575-361-2822. In Lea County phone 575-393-3612. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
7) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
   a) Approved injection pressure compliance is required.
   b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
   c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.

9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
11) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
13) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
14) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
15) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List daily descriptions of any previously unreported wellbore workover(s) and reason(s) the well annular fluid was replaced.

Access information for **use of Form 3160-5** "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.