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OXY USA INC E-Mail: JENNFER: DUARTE@OXY.COM 30-01541447 'a Adfres: Ib: Phote Mail: (Floatings: Sec. 7. R. M. or Survey Description) 10. Faid and Foid: Esploratory CULERA BLUFF BONE SPRING 4. Location of Weil: (Floatings: Sec. 7. R. M. or Survey Description) 11. Coasty or Parish, and State EDDY COUNTY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION II. Coasty or Parish, and State EDDY COUNTY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA Water Shat-Off 13. Ontice of latent Acidize Deepen Production (Start/Resume) Water Shat-Off 13. Subsequent Report Chaing Repair IN-Wo Construction Recomplete Ø Other 14. Deepen directionally or complete Interview I Infection Plug and Abandon Temporatily Abandon 13. Describe Proposed or Complete Open directionally or complete Interview I Infection Plug and Abandon Water Shat-Off 14. The proposed in to deepen directionally or complete Interview III Interview III Interview III Interview III Interview IIII Interview IIII Interview IIII Interview IIIII Interview IIII Interview IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	••		er				8. Well Name and No. BANK 18 FEDER	AL COM 1H
PO BOX 4294 HOUSTON, TX 77210 Ph: 713-513-6640 CULERA BLUFF 6ONE SPRING 4. Location of Well (Poolege, Sec. T. R. M. or Survey Description) 11. County or Parish, and State EDDY COUNTY, NM 5. Sec 18 T23S R29E NWNW 133FNL 485FWL 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 Ø Notice of Latent Acidize Deceptin B Notice of Latent Acidize Deceptin B Notice of Latent Charge Plans Phig and Abandon Recomplete 00FLease Measurement (Convert to Injection Phig and Abandon Other 00FLease Measurement (Convert to Injection Phig and Abandon Other 00FLease Measurement (Convert to Injection Phig and Abandon Notice of Latent (Convert to Injection Plag Back Water Disposal 13. Describe Proposed or Completed Operation (Clearly state all perimerimated stating date of any proposed and completed and theorement (Convert to Injection) Not ConsERPVATION (Abandon measurements, including rectamation, have been completed, and the operator has determined that the site in any for final impection). The operator has determined that the site in any for final impection or recompletion or neorpheted approval of the proposed or Completed Operator has determined that the site in any for final impection. The operator has determined that the site in any for final impection or recompletion or necompletion in a new interval. For NICO (CONDITION FOR								
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13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starring 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 depts of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLMBIA. Required autoevent incompletion, and the operation is an evaluation the BLMBIA. Required autoevent incompletion, and the operation is an evaluation the completion of the involved operations. If the operation results in a multiple completion or recompletion and the operation has determined that the site is ready for final inspection.) APPLICATION FOR OFF-LEASE GAS SALES POINT Bank 18 Federal Com #1H OXY USA INC is requesting approval for gas sales point to be off-lease for the Bank 18 Federal Com #1H. Federal Lease NMINI110831 (12.5% Royalty Rate); CA NMINI32210 POOL: Culebra Bluff Bone Spring. S. Well Name Location API BOPP OIL GRAVITY MCFPD BTU BWPD Bank 18 Federal Com #1H D-18-23S-33E 3001541447 50 42 200 1285 200 Bank 18 Federal Com #1H D-18-23S-33E 3001541447 50 42 200 1285 200 Letter and approximate doornect. Electronic Submission #266647 vorified by the BLM Well Information System For OXY USA INC, for to the Cariabad Committed to AFMSS for processing by LINDA DENNISTON on 07/24/2015 () Name (Printed/Typed) JENNIFER A DUARTE Title // Lett // Date // J// S Approved Bx Approved Committed to Approval of function complete operation system for Gay Operations of the operation of the operation of the approximation operation of the approximation operation of the approximation operation operation operation operation operations of the operation operat	Final Aba	ndonment Notice					-	
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Signature (Electronic Submission) Date 03/30/2015 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By Title / / / / / / / / / / / / / / / / / / /	Name (Printed	(Typed) JENNIFER		r processing t	-			
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** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional data for EC transaction #296647 that would not fit on the form

32. Additional remarks, continued

Attached is a map which displays the Federal lease and well location in NWNW, Section 18, T23S, R29E.

The BLM?s interest in the well is 12.5%

Oil & Gas metering:

The tank battery for the Bank 18 Federal Com #1H is located at well location NWNW, Sec 18, T23S, R29E. The production from the well will flow through a two phase production vessel. Oil and water will be sent to a heater treater. The oil production will be sold on lease via tank strapping. Water will be trucked from the facility. The gas will be sold off-lease (*S/N) after it is measured by Oxy check meter (*S/N) located on the lease. The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facility.

OXY USA WTP LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

APPLICATION FOR OFF-LEASE GAS SALES POINT

Bank 18 Federal Com #1H

OXY USA INC is requesting approval for gas sales point to be off-lease for the Bank 18 Federal Com #1H.

Federal Lease NMNM110831 (12.5% Royalty Rate); CA NMNM132210 POOL: Culebra Bluff Bone Spring, S.

Well Name	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU	BWPD
Bank 18 Federal Com #1H	D-18-235-33E	3001541447	50	42	200	1285	200

Attached is a map which displays the Federal lease and well location in NWNW, Section 18, T235, R29E.

The BLM's interest in the well is 12.5%

Oil & Gas metering:

The tank battery for the Bank 18 Federal Com #1H is located at well location NWNW, Sec 18, T23S, R29E. The production from the well will flow through a two phase production vessel. Oil and water will be sent to a heater treater. The oil production will be sold on lease via tank strapping. Water will be trucked from the facility. The gas will be sold off-lease (*S/N) after it is measured by Oxy check meter (*S/N) located on the lease. The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facility.

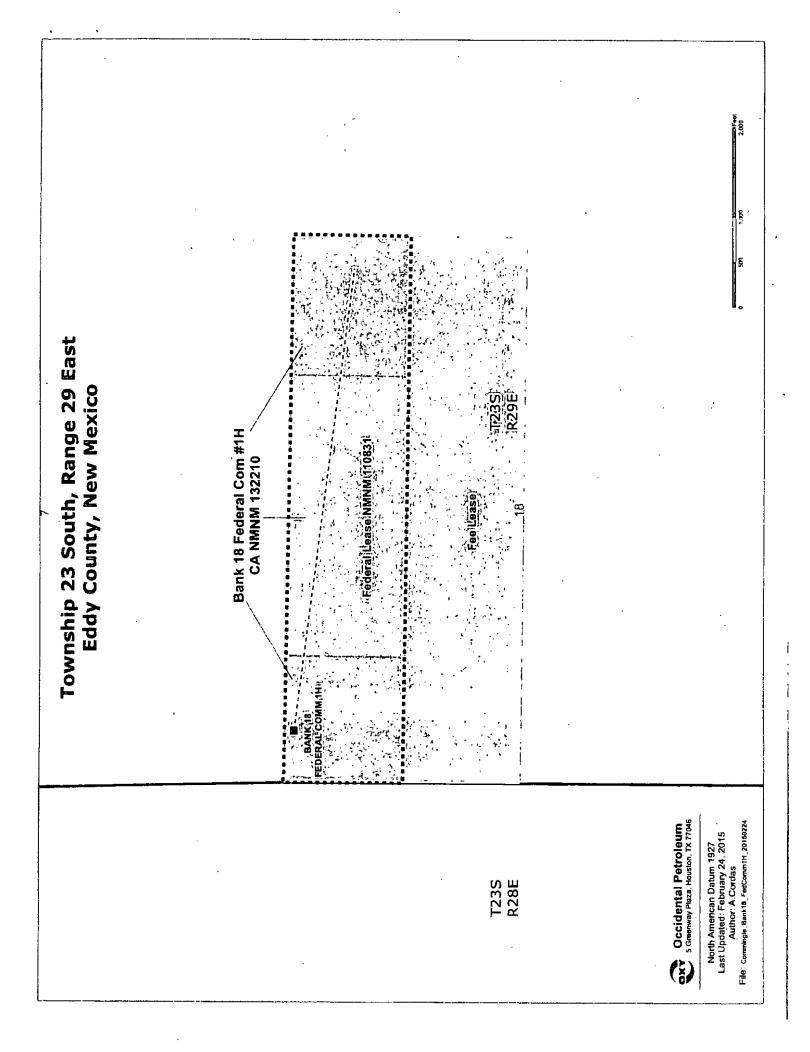
OXY USA WTP LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

Signed:

Printed Name: Jennifer Duarte Title: Regulatory Specialist Date: 3/30115

18 Fed Com 1H, clearly not within the CA Location of gas sales meter for the Bank other Fideral Icars **CA NMNM132210** boundaries below η Bank 18 Fed Com 1H, located in CA NMNM132210 (blue outline) Off CA measurement of gas

Bank 18 Fed Com 1H



DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** CASE RECORDATION (MASS) Serial Register Page

Run Time: 03:22 PM

Page 1 of 2

Run Date: 03/12/2015

01 12-22-1987;101STAT1330;30USC181 ET SE Case Type 312021: O&G LSE COMP PD -1987 Commodity 459: OIL & GAS Case Disposition: AUTHORIZED

80.000

Serial Number NMNM---- 110831

		Serial Num			
Name & Address			Int Re	el	% Interest
ECHO PROD INC LATIGO PETROLEUM INC MARK L SHIDLER INC OXY USA INC TALUS INC THE ALLAR CO TWIN MONTANA INC	PO BOX 1210 15 W 6TH ST #1100 1010 LAMAR #500 5 GREENWAY PLZ #110 PO BOX 1210 PO BOX 1567 PO BOX 1210	GRAHAM TX 76450 TULSA OK 74119 HOUSTON TX 77002 HOUSTON TX 770460521 GRAHAM TX 76450 GRAHAM TX 76450 GRAHAM TX 76450	OPERA OPERA OPERA OPERA	E TING RIGHTS TING RIGHTS TING RIGHTS TING RIGHTS TING RIGHTS TING RIGHTS	100.000000000 0.000000000 0.000000000 0.000000
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23 02305 0290E 018 ALIO	NWNE,NENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU C	F LAND MGMT

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			Serial Number: NMNM 110831					
Act Date	Code	Action	Action Remark	Pending Office				
07/15/2003	387	CASE ESTABLISHED	200307090					
07/16/2003	191	SALE HELD						
07/16/2003	267	BID RECEIVED	\$22400.00;					
08/15/2003	237	LEASE ISSUED		•				
08/15/2003	974	AUTOMATED RECORD VERIF	BTM	•				
09/01/2003	496	FUND CODE	05;145003					
09/01/2003	530	RLTY RATE - 12 1/21						
09/01/2003	868	EFFECTIVE DATE						
09/22/2003	899	TRF OF ORR FILED	ECHO PROD INC;1					
10/24/2003	963	CASE MICROFILMED						
11/24/2003	932	TRF OPER RGTS FILED	1					
12/29/2003	933	TRF OPER RGTS APPROVED	EFF 12/01/03;					
12/29/2003	974	AUTOMATED RECORD VERIF	LR					
04/05/2005	899	TRF OF ORR FILED	l					
04/25/2005	932	TRF OPER RGTS FILED	ALLAR/LATIGO PETROL;1					
07/19/2005	932	TRF OPER RGTS FILED	TALUS/LATIGO PETROL;1					
07/19/2005	932	TRF OPER RGTS FILED	TWIN MONT/LATIGO PE;1	•				
07/26/2005	933	TRF OPER RGTS APPROVED	EFF 05/01/05;					
07/26/2005	974	AUTOMATED RECORD VERIF	MV					
08/12/2005	933	TRF OPER RGTS APPROVED	01EFF 08/01/05;					
08/12/2005	933	TRF OPER' RGTS APPROVED	02EFF 08/01/05;					
08/12/2005	974	AUTOMATED RECORD VERIF	LR					
03/06/2007	932	TRF OPER RGTS FILED	STRATCO O/MARK L SH;1	,				
05/02/2007	933	TRF OPER RGTS APPROVED	EFF 04/01/07;					
05/02/2007	974	AUTOMATED RECORD VERIF	MV					
03/31/2006	932	TRF OPER RGTS FILED	LATIGO PETR/OXY USA;1					
05/13/2008	933	TRF OPER RGTS APPROVED	EFF 04/01/08;					
05/13/2008	974	AUTOMATED RECORD VERIF	ANN					
01/08/2009	932	TRF OPER RGTS FILED	LATIGO PETR/OXY USA;1					
04/22/2009	933	TRF OPER RGTS APPROVED	EFF 02/01/09;					
04/22/2009	974	AUTOMATED RECORD VERIF	MV					
06/01/2013	677	SUS OPS OR PROD/PMT REQD	/A/					

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

Total Acres

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For.n 3160-9 (December 1989)

Certified Mail - Return Receipt Requested 70142120000148695457 Hand Delivered Received ь

UNITED STATES **DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT**

	Number	15JH060
	Page	of
	Identific	ation
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Lease	NMNM	10831
CA	NMNM	132210
Unit		
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NOTICE OF INCIDENTS OF NONCOMPLIANCE

Bureau of Land Management Office				Operato	21				
CARLSBAD FIELD OFFICE						OXY USA	INCORPO	RATED	
Address 620 E GREENE STREET CARLSBAD NM 88220				Addres	5	5 GREENW			
Telephone 575	Attents	חס	· · ·						
Inspector	UGHES			Attn Ac	ldr				
Site Name	Well Facility/FMP	1/4-1/4 Section NWNW 18		ιίρ 3S	Range 29E	Meridian NMP	County	EDDY	State NM
Site Name BANK 18 FEDERAL COM	Well/Facility/FMP 1H	1/4 1/4 Section NWNW 18		uip 3S	Range 29E	Meridian NMP	County	EDDY	 State NM
THE FOLLOWING VIOLATIO	N WAS FOUND BY BU	REAU OF LAN	D MANA	GEME	NT INSPECTO	ORS ON THE DA	TE AND AT	THE SITE LISTI	ED ABOVE
Date	Time (24	- hour clock)			Viola	ation		Gravity of Vi	olation
12/11/2014	1	3:00	•		005.11	I.C.21.		MINO	R
Corrective Action To Be Completed By	Date	Date Corrected		Assessment for Noncompliance			Assessment Reference		
01/23/2015								43 CFR 31	63.1()

Remarks

SALES METER 718779-00 IS LOCATED OFF OF THE COMM AGREEMENT AREA. SUBMIT REQUEST FOR PERMISSION TO MEASURE GAS OFF OF THE COMM AGREEMENT AREA TO THIS OFFICE NO LATER THAN 1/23/15. BLM POC: JIM HUGHES 575-234-5950

When violation is corrected, sign this notice and return to above address	
Company Representatives Title REQUIATOR Specialisticanature	Dominant Dare 3-30-1:
Company Comments Heuisea Surary Submit	THEOR 3-30-15 by EC. Origina
was submitted 1-22-15.	

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163 2) All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be hable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Lardi Mana	gemen Authonzed Officer		• • • • • • • • • • • • • • • • • • •	Date 12/15/14	Time (1/2)
	/ <i>[/</i>	FOR OFFICE US	ONLY	114/13/19	1156
Number	Date	Assessment	Penalty	Term	nation
24					
Type of Inspection					
<u>Pi</u>					

Bureau of Land Management Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Off-Lease/Off Communitization Agreement Measurement, Sales, and Storage

Conditions of Approval: Oxy USA Incorporated Bank 18 Federal Com 1H NM132210 3001541447

Approval of off-lease measurement is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in sales method or location of the Sales point.
- This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments and/or product accountability.
- 4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 5. Additional wells and/or leases require additional approvals.
- This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
- 7. Approval for off-lease/off-CA measurement from various sources is a privilege which is granted to lessees/operators for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.