

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

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.

OCD Artesia

5. Lease Serial No.
NMNM62589

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
FEDERAL 23 11H2. Name of Operator
OXY USA INCORPORATEDContact: JENNIFER A DUARTE
E-Mail: jennifer_duarte@oxy.com9. API Well No.
30-015-39437-00-S13a. Address
5 GREENWAY PLAZA STE 110
HOUSTON, TX 77046-05213b. Phone No. (include area code)
Ph: 713-513-664010. Field and Pool, or Exploratory
LIVINGSTON RIDGE DELAWARE

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

Sec 26 T22S R31E NWNW 590FNL 380FWL

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 | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Onshore Order Variance |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 recomple 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.)

OXY USA INC requests permission to install a Vapor Combustor Unit (VCU) at FOXGLOVE 29 FEDERAL Tank Battery. This request is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. OXY USA INC understands that the following conditions apply:

1. OXY USA INC may be required to provide economic justification and provide volume verification to the Authorized Officer upon request.
2. OXY USA INC will comply with NTL-4A requirements.
3. If volume being combusted is less than 50 MCF of gas per day, it is considered ?unavoidably lost?, therefore, no royalty obligation shall be accrued and will not be required to be reported.
 - a. ?Unavoidably Lost? production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.
4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and

NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 06 2016

RECEIVED

NMOC 1/6/16

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

Electronic Submission #322960 verified by the BLM Well Information System

For OXY USA INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by JENNIFER SANCHEZ on 11/12/2015 (16JAS1083SE)

Name (Printed/Typed) JENNIFER A DUARTE

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 11/09/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK

Title TECHNICAL LPET

Date 01/04/2016

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #322960 that would not fit on the form

32. Additional remarks, continued

volumes need to be reported on OGOR ?B? reports as disposition code ?08?.

5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.1.1, site facility diagram must be submitted within 60 days of equipment installation.

6. This approval does not authorize any additional surface disturbance.

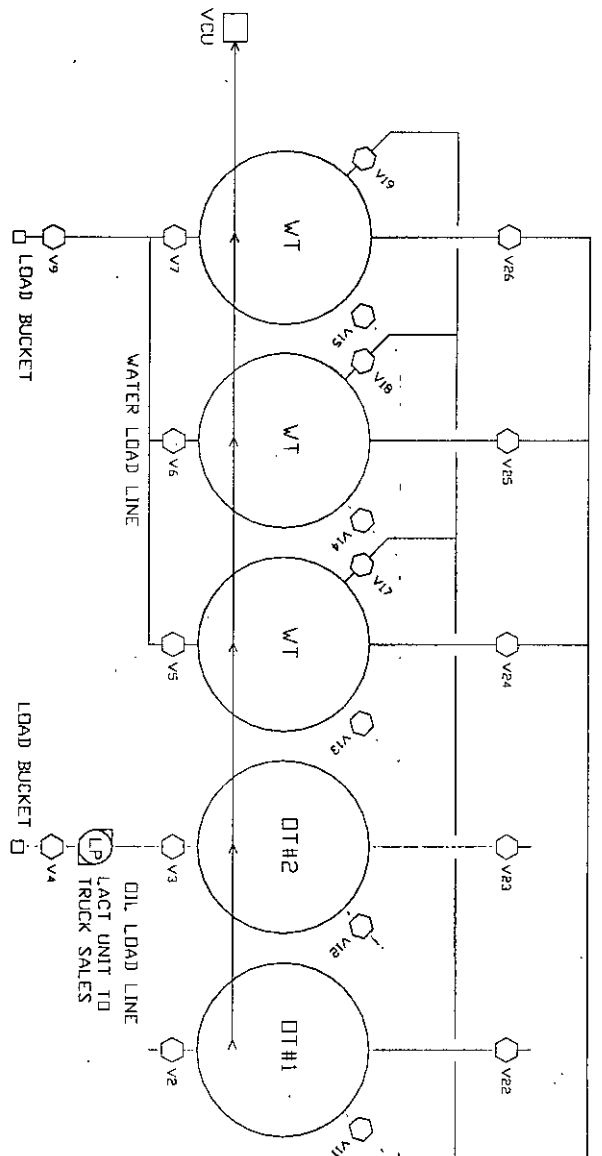
7. Subject to like approval from NMOCD.

Attached are the following:

? Site security diagram of the current tank battery as well as the location of the VCU and the manifold line connecting the tanks to the VCU.

? Specification sheet(s) for the VCU.

? Contact list of Company Field Representatives if access to VCU is needed to retrieve volumes being combusted



LEGEND

OPERATOR: OXY

FACILITY NAME: FEDERAL 23 #11 BATTERY

LEASE SERIAL NO: 16403900

LOCATION: SECTION 26, TOWNSHIP 22

SOUTH, RANGE 31 EAST

COUNTY: EDDY

SITE SECURITY PLAN CAN BE FOUND AT:
1502 W COMMERCE DRIVE
CARLSBAD, NM 88220

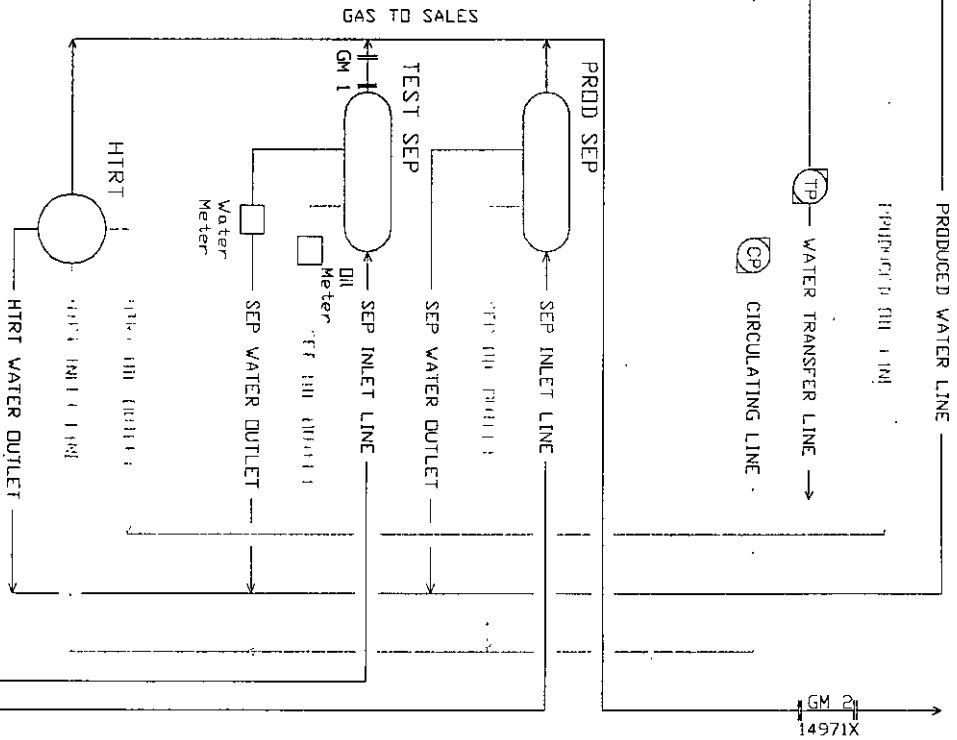
PRODUCTION SYSTEM - OPEN
OIL SOLD THROUGH LACT UNIT TO
TRUCKS

PRODUCTION PHASE

- (1) VALVE 2 OPEN
- (2) VALVE 3 OPEN
- (3) VALVE 11 OPEN
- (4) VALVE 12 OPEN
- (5) VALVE 4 CLOSED

SALES PHASE

- (1) VALVE 2 OPEN
- (2) VALVE 3 OPEN
- (3) VALVE 11 OPEN
- (4) VALVE 12 OPEN
- (5) VALVE 4 OPEN



FEDERAL 23 #7
FEDERAL 23 #11
FEDERAL 23 #12
FEDERAL 23 #13

| | | | |
|---|--|---|--|
| <p>PROPERTY NAME: FEDERAL 23 #11 BATTERY</p> <p>LEASE SERIAL NO: 16403900</p> <p>LOCATION: SECTION 26, TOWNSHIP 22 SOUTH, RANGE 31 EAST</p> <p>COUNTY: EDDY</p> | | <p>DATE: 10/1/83</p> <p>BY: [Signature]</p> | |
| <p>PRODUCED WATER LINE</p> <p>WATER TRANSFER LINE</p> <p>CIRCULATING LINE</p> | | <p>PRODUCED WATER LINE</p> <p>WATER TRANSFER LINE</p> <p>CIRCULATING LINE</p> | |
| <p>WT</p> <p>WT</p> <p>WT</p> <p>DT#2</p> <p>DT#1</p> | | <p>WT</p> <p>WT</p> <p>WT</p> <p>DT#2</p> <p>DT#1</p> | |
| <p>V1, V2, V3, V4, V5, V6, V7, V8, V9</p> | | <p>V1, V2, V3, V4, V5, V6, V7, V8, V9</p> | |
| <p>Water Load Line</p> <p>Oil Load Line</p> <p>Truck Unit</p> | | <p>Water Load Line</p> <p>Oil Load Line</p> <p>Truck Unit</p> | |
| <p>PROD SEP</p> <p>TEST SEP</p> <p>SEP INLET LINE</p> <p>SEP WATER OUTLET</p> <p>Oil</p> <p>Water</p> <p>Water Meter</p> <p>HRT</p> <p>HRT WATER OUTLET</p> <p>GM 1</p> <p>GM 2</p> <p>14971X</p> | | <p>PROD SEP</p> <p>TEST SEP</p> <p>SEP INLET LINE</p> <p>SEP WATER OUTLET</p> <p>Oil</p> <p>Water</p> <p>Water Meter</p> <p>HRT</p> <p>HRT WATER OUTLET</p> <p>GM 1</p> <p>GM 2</p> <p>14971X</p> | |



2105 Greenwood Dr.

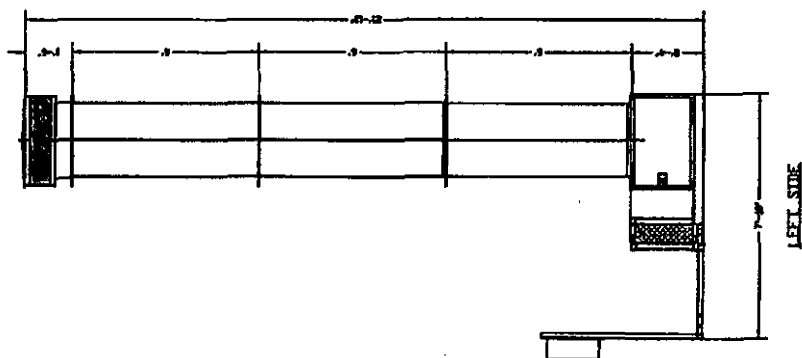
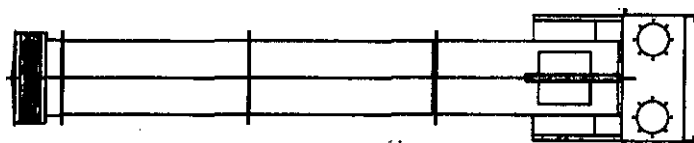
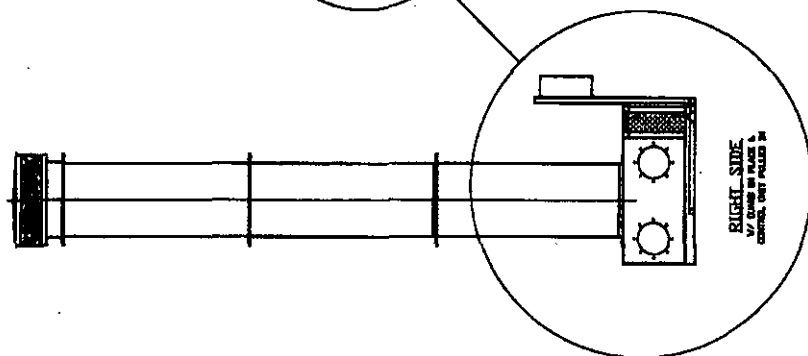
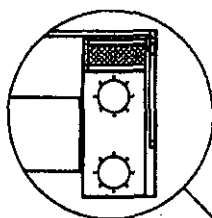
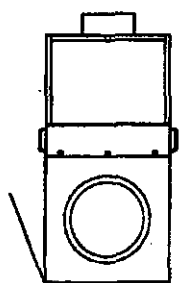
Southlake Texas 76092

P 817-416-8881 F 817-416-8888

www.kimark.com

Specifications:

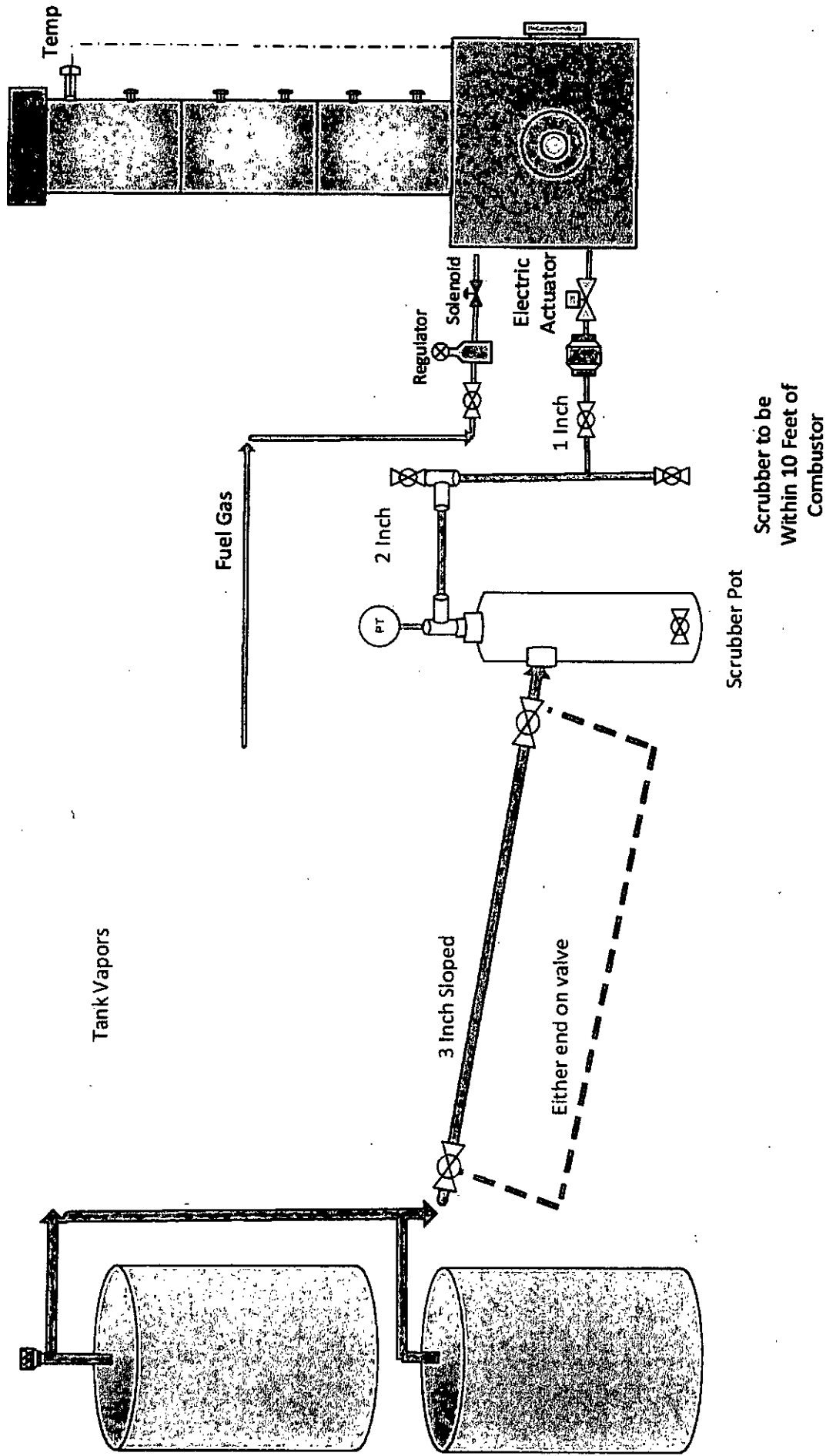
| | |
|---|-----------------------------------|
| Model Number | SmartFlare 28 |
| Total Height | 21 feet 10 inches |
| Flare Diameter | 28 inches |
| Enrichment Gas? | No |
| Design Heat Release | 1.25 MMBTU/hr |
| Destruction Efficiency | 99.90% |
| Normal Operating Pressure | Ounces 0 to 16 |
| Design Pressure | 80 PSI |
| Max Design Temperature | 1900 degree shutdown |
| Min Design Temperature | 1200 degrees |
| Normal Operating Temp | 1400 degrees |
| Pilot Volumetric Rate | 8.5 to 12 SCF/hr |
| Pilot Continuous or Automatic? | Both - Software Selectable |
| Number of burner tips | 1 |
| Diameter of burner tips (inches) | 2 inch |



Kimark

KODAK SYSTEMS INC.
 2007 10TH ST
 GRAND PRAGE, IA 50040

[illegible]



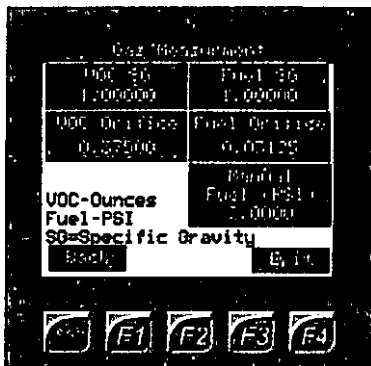


Kimark Systems, Inc.
2105 Greenwood Dr.
Southlake Texas 76092
P 817-416-8881 F 817-416-8886
www.kimark.com

Occidental Oil & Gas

Trey Fournier
03/18/2015

The Combustor gas flow is based on AGA Report No. 3 Part 2 and Part 3. (API 14.3 Part 3 and API 14.3 Part 2). The calculation is based on the mass flow through an Orifice, measuring the pressure with an atmospheric downstream.

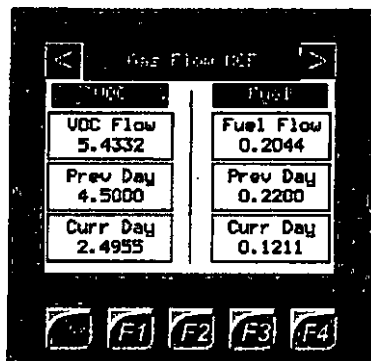


Gas Measurement

Enter Specific Gravity for VOC and Fuel.

Enter Orifice size for VOC and Fuel.

The "Manual Fuel (PSI)" is for entering the pressure that the fuel is delivered at.



Totalization

Instantaneous Flow

Previous Day Flow

Current Day Flow

All are recorded for VOC and Fuel

Randy Allen
Kimark Systems

For South Carlsbad:

Victor Guadian

575-628-4006 (office)

575-499-6406 (cell)

Terry Coor

575-628-4130 (office)

575-706-3306 (cell)

For North New Mexico:

Don Kendrick

575-628-4132 (office)

575-602-1484 (cell)

Justin Bock

575-628-4003 (office)

575-575-706-4502 (cell)

For Lea County:

Stan Shaver

575-397-8261 (office)

575-602-5509 (cell)

Tony Summers

575-397-8203 (office)

575-390-2319 (cell)

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

**CONDITIONS OF APPROVAL TO INSTALL
VAPOR COMBUSTOR UNIT (VCU)**

1. Comply with NTL-4A requirements.
2. If volume being combusted is less than 50 MCF of gas per day, it is considered "unavoidably lost", therefore, no royalty obligation shall be accrued.
 - a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released from storage tanks or other low-pressure vessels.
3. Combusted volumes over 50 MCF will require payment of royalties and volumes need to be reported on OGOR reports.
4. This approval does not authorize any additional surface disturbance.
5. Comply with any restrictions or regulation when on State or Fee surface.