

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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 page 2**

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM59387 |
| 2. Name of Operator OXY USA INC Contact: DAVID STEWART E-Mail: david_stewart@oxy.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address P.O. BOX 50250 MIDLAND, TX 79710 | 3b. Phone No. (include area code) Ph: 432-685-5717 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T24S R29E SWNE 1350FNL 1880FEL 32.192024 N Lat, 103.952774 W Lon | | 8. Well Name and No. OWEN MESA 26 FEDERAL COM 1 |
| | | 9. API Well No. 30-015-25706 |
| | | 10. Field and Pool or Exploratory Area PIERCE CROSSING BN SPR E |
| | | 11. County or Parish, State EDDY COUNTY, NM |

12. CHECK THE 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"/> Hydraulic Fracturing | <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 | Successor of Operator |
| | <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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

As required by 43 CFR 3100.0-5(a) and 43 CFR 3162.3, we are notifying you of a change of operator on the above referenced lease effective June 1, 2016. OXY USA Inc. as the new operator accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease or portion of lease described. OXY USA Inc. meets Federal Bonding requirements as follows (43 CFR 3104): Oil & Gas Bond No. NMB000862.

NM OIL CONSERVATION
ARTESIA DISTRICT

DEC 12 2016

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

| | | | |
|--|-------------------------|--|------------------------|
| 14. I hereby certify that the foregoing is true and correct. | | RECEIVED Electronic Submission #347545 verified by the BLM Well Information System For OXY USA INC, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 08/11/2016 () | |
| Name (Printed/Typed) | DAVID STEWART | Title | SR. REGULATORY ADVISOR |
| Signature | (Electronic Submission) | Date | 08/10/2016 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | |
| Approved By <u>Charles Nimmer</u> | | Title | PETROLEUM ENGINEER |
| 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. | | | |

APPROVED

NOV 30

Date

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. Greene St
Carlsbad, NM 88220
Ph: (575) 234-5972

Conditions of Approval for Change of Operator

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method within 60 days, if changes have been made from previously approved disposal method.
3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.