

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
UCD Hobbs

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. NMNM88138
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. CEDAR CANYON 23 2H
9. API Well No. 30-015-41194
10. Field and Pool, or Exploratory CORRAL SRAW BONE SPRING
11. County or Parish, and State EDDY COUNTY, NM

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator OXY USA INC Contact: CASEY L SUMMERS E-Mail: CASEY_SUMMERS@OXY.COM	
3a. Address PO BOX 4294 HOUSTON, TX 77210	3b. Phone No. (include area code) Ph: 575-513-8289
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T24S R29E SWSW 660FSL 660FWL	

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 checked="" 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 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.)

This sundry is in regards to the United States Department of the Interior Bureau of Land Management's Notice of Incidents of Noncompliance? number OMB160621. This sundry is to request a variance from On Shore Order #1 .XII and delay Interim Reclamation. The oil and gas processing facility built on the Cedar Canyon 23 #002 location is currently utilizing all of the outer perimeter and space on the location. For this reason the Interim Reclamation cannot be completed at this time. This location resides on private surface and the surface area that is being utilized by this location is covered within Oxy's Surface Use Agreement between the land owner and Oxy. When the facility is downsized in the future the Interim Reclamation will be completed at that time.

GC 5-17-18
Accepted for record - NMOCD



7-22-16 - J Amos - OK to approve

14. I hereby certify that the foregoing is true and correct. Electronic Submission #344943 verified by the BLM Well Information System For OXY USA INC, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 08/31/2016 ()	
Name (Printed/Typed) CASEY L SUMMERS	Title ENVIRONMENTAL ADVISOR
Signature (Electronic Submission)	Date 07/18/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
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.

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

OPERATOR'S COPY

Number OMB160621

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☒ Certified Mail - Return Receipt Requested
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☐ Hand Delivered Received by

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification

IID

Lease NMNM88138

CA NMNM134543

Unit

PA

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator OXY USA INCORPORATED			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address 5 GREENWAY PLAZA SUITE 110 HOUSTON TX 77048-0521			
Telephone 575.234.5972				Attention			
Inspector BALLIETT				Attn Addr			
Site Name CEDAR CANYON 23	Well/Facility/FMP 2H	1/4 1/4 Section SWSW 23	Township 24S	Range 29E	Meridian NMP	County EDDY	State NM
Site Name	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
06/21/2016	12:55	43 CFR 3162.1(a) AAPD COA'S part IX.	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
07/21/2016			43 CFR 3163.1(i)

Remarks

A recent interim reclamation inspection has revealed that the well pad has not been reclaimed per the Approved Application for Permit to Drill (AAPD). The interim reclamation due date was 08/11/15. Reclaim the surface per the AAPD.

When violation is corrected, sign this notice and return to above address

Company Representative Title Environmental Advisor Signature [Signature] Casey Smith 7-15-16

Company Comments Requesting a variance from an shore order #1, etc. and delay Interim Reclamation. Please find Sunday associated with this Inc.

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(i)(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 liable 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 Land 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 Land Management Authorized Officer <u>[Signature]</u>		Date <u>6/21/16</u>	Time <u>14:22</u>
FOR OFFICE USE ONLY			
Number <u>3</u>	Date	Assessment	Penalty
Type of Inspection <u>ES</u>			Termination