Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018
5. Lease Serial No. NMNM57221
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. FEDERAL AK 1
9. API Well No. 30-015-26373-00-S1
10. Field and Pool or Exploratory Area E HESS
11. County or Parish, State
EDDY COUNTY, NM

SUNDRY N	IOTICES AND	REPORTS	ON WELLS
Do not use this	form for prop	osals to drill	or to re-enter an
bandoned well	. Use form 31	60-3 (APD) for	such proposals

Do not use the	ie form for proposale to	drill or to re-enter an			
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.			6. If Indian, Allottee	6. If Indian, Allottee or Tribe Name	
SUBMIT IN	7. If Unit or CA/Agr	eement, Name and/or No.			
Type of Well Oil Well	8. Well Name and No FEDERAL AK 1	8. Well Name and No. FEDERAL AK 1			
Name of Operator OXY USA INCORPORATED	9. API Well No. 30-015-26373-	9. API Well No. 30-015-26373-00-S1			
3a. Address 5 GREENWAY PLAZA SUITE HOUSTON, TX 77046-0521	<u> </u>	3b. Phone No. (include area code) Ph: 432.685.5717	10. Field and Pool of E HESS	10. Field and Pool or Exploratory Area E HESS	
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description	l	11. County or Parish	11. County or Parish, State	
Sec 34 T23S R23E NWNE 66	0FNL 1450FEL		EDDY COUNT	EDDY COUNTY, NM	
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICATE NATURE O	F NOTICE, REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION		TYPE OF	ACTION		
☑ Notice of Intent	☐ Acidize	□ Deepen	☐ Production (Start/Resume)	■ Water Shut-Off	
_	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	■ Well Integrity	
☐ Subsequent Report	Casing Repair	■ New Construction	☐ Recomplete	☐ Other	
☐ Final Abandonment Notice	□ Change Plans	Plug and Abandon	☐ Temporarily Abandon		
	☐ Convert to Injection	□ Plug Back	■ Water Disposal		
testing has been completed. Final Al determined that the site is ready for f TD-10300' PBTD-10254' 13-3/8" 48# csg @ 350' w/ 50	pandonment Notices must be fil final inspection. Perfs-9978-10008' Osx, 17-1/2" hole, TOC-S	ed only after all requirements, includ Accepted for reco	umpletion in a new interval, a Form 31 ing reclamation, have been completed 17-18 sed - NMOCD SEP	ENVEROPPERATOR has	
8-5/8" 24# csg @ 2500' w/ 13 5-1/2" 17# csg @ 10298' w/ 6	DISTRICT II-	ARTESIA O.C.D.			
1. RIH & set CIBP @ 9928' w. 2. M&P 30sx cmt @ 8820-863 3. M&P 25sx cmt @ 7260-708	40sx cmt to 9646'- 9 30' WOC-Tag 35' WOC-Tag			(T/ up)	
4. Perf @ 4510' sqz 45sx cmt to 4360' WŎC-Tag 5. Perf @ 2550', sqz 40sx cmt to 2420' WOC-Tag			ATTACHED FOR		
6. Perf @ 400' sqz 125sx cmt to Surface			ONDITIONS OF APPROVAL		
14. I hereby certify that the foregoing is	Electronic Submission # For OXY USA	432318 verified by the BLM Wel A INCORPORATED, sent to the sing by DEBORAH MCKINNEY of	l Information System Carlsbad		
Name (Printed/Typed) DAVID STEWART		· · ·	GULATORY ADVISOR		
Signature (Electronic S	Submission)	Date 08/22/2	118	·	
(OR FEDERAL OR STATE			
	1111		467	9.8-18	
Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or equ	iitable title to those rights in the	not warrant or e subject lease	rlsbod field	Date	
which would entifle the applicant to condu	ct operations thereon.	Office (a	risped tich	CHTICE	

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.

Carlsbad

, Additional data for EC transaction #432318 that would not fit on the form

32. Additional remarks, continued

10# MLF between plugs - Above ground steel tanks will be utilized

OXY USA Inc. - Proposed Federal AK #1 API No. 30-015-26373 look for upper

125sx @ 400'-Surface

Perf @ 400'

17-1/2" hole @ 350'
13-3/8" csg @ 350'
w/ 500sx-TOC-Surf-1"
I'' from 55 - Surf
Ready mix 8 yds Surf.

40sx @ 2550-2420' WOC-Tag

SA 704/-

12-1/4" hole @ 2500'

8-5/8" csg @ 2500' w/ 1300sx-TOC-Surf-Circ —

Perf @ 2550'

Del 1258 Bruch /

45sx @ 4510-4360' WOC-Tag

Perf @ 4510'

BS 4456

25sx @ 7260-7085' WOC-Tag

30sx @ 8820-8630' WOC-Tag

CIBP @ 9928' w/ 40sx to 9640'

wc 7207 Pen 8154

C:SCO 8176

Cyw 8564

St 8877

4+ 9322

7-7/8" hole @ 10300' / 5-1/2" csg @ 10298' / w/ 600sx-TOC-7150'-TS /

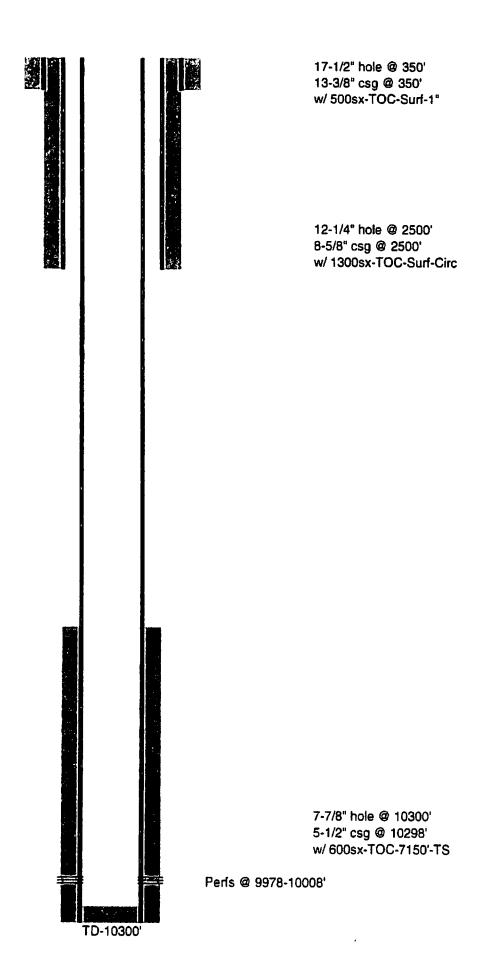
Perfs @ 9978-10008' -

MR 9650

PB-10254'

TD-10300'

PB-10254'



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

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

- 2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

- 7. <u>Subsequent Plugging Reporting</u>: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**
- 8. <u>Trash</u>: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.