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, 201

| | | Expires: January 31, 20 |
|---|----|---------------------------------|
| | 5. | Lease Serial No. NMNM0473362 |
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| Artesia |
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| 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 | |

| νο not use thi | is form for proposals to drill or to i | e-enter an | ļ | | | | |
|--|---|---|---|--|------------------------------------|------------------------------|--|
| abandoned we | (| 6. If Indian, Allottee or Tribe Name | | | | | |
| SUBMIT IN | TRIPLICATE - Other instructions of | n page 2 | | 7. If Unit or CA/Agre | ement, Name a | nd/or No. | |
| 1. Type of Well | 1 | 8. Well Name and No. DERO FED COMM 2 | | | | | |
| Oil Well Gas Well Oth 2. Name of Operator | Contact: DAVID STE | IM/A DT | | 9. API Well No. | | | |
| OXY USA INCORPORATED | E-Mail: david_stewart@oxy.con | |] | 30-015-20973-0 | 00-S1 | | |
| 3a. Address 5 GREENWAY PLAZA SUITE HOUSTON, TX 77046-0521 | 3b. Phone i Ph: 432.6 | lo. (include area code) 685.5717 | | Field and Pool or Exploratory Area OLD MILLMAN RANCH | | | |
| 4. Location of Well (Footage, Sec., T | ., R., M., or Survey Description) | | 11. County or Parish, State | | | | |
| Sec 35 T19S R28E SESW 66 | 0FSL 1980FWL | | | EDDY COUNT | Y, NM | | |
| 12. CHECK THE AI | PPROPRIATE BOX(ES) TO INDIC | ATE NATURE O | F NOTICE, R | EPORT, OR OTI | HER DATA | · · | |
| TYPE OF SUBMISSION | | TYPE OF | FACTION | | | | |
| ☐ Notice of Intent | ☐ Acidize ☐ De | epen | ☐ Production | n (Start/Resume) | ☐ Water S | hut-Off | |
| _ | ☐ Alter Casing ☐ Hy | draulic Fracturing | ☐ Reclamati | ion | ■ Well Int | egrity | |
| ☑ Subsequent Report | | ew Construction | ☐ Recomple | ete | Other | | |
| ☐ Final Abandonment Notice | _ | ug and Abandon | □ Temporar | - | | | |
| | Convert to Injection Pleration: Clearly state all pertinent details, incl | ug Back | ☐ Water Dis | • | | | |
| following completion of the involved testing has been completed. Final At determined that the site is ready for f. 8/20/19 - MIRU PU | · (5 C | ple completion or reco | ompletion in a new ling reclamation, MOCD | w interval, a Form 316 have been completed | 60-4 must be file | ed once r has ROCEDURE | |
| 6500', circ hole w/ 1 <u>0# MLF.</u> N PUH, WOC. | 6550', POOH. RIH & set CIBP @ 6 M&P 25sx CI C cmt, Calc TOC- <u>6250</u> '. | PUH to <u>5</u> 800', <u>M</u> 8 | &P 25sx <u>CL C</u> | cmt, DI | ECLAM UE 2- 2 | | |
| ~ | 57', <u>notified BLM</u> . PUH to 4320', M& L_PUH to 3285', M&P 25sx CL C cm 98', noti <u>fied BLM</u> . PUH to 2512', M& | | | PASAS C | DIL CONSI ARTESIA DIS SEP 23 | STRICT | |
| 14. I hereby certify that the foregoing is Comm Name (Printed/Typed) DAVID ST | Electronic Submission #481736 verif For OXY USA INCORPOR itted to AFMSS for processing by DEB | ATED, sent to the DRAH MCKINNEY of | Carlsbad | 19DLM0652SE) | RECEIV | - | |
| | | | AC | CEPTED FO | R RECOF | ₹DI | |
| Signature (Electronic S | Submission) | Date 09/04/20 | ľ | | | | |
| | THIS SPACE FOR FEDER | AL OR STATE | OFFICE USI | SFP 4 | 20 19 | | |
| Approved By | · _ <u></u> | Title | | SmcKinn | | | |
| | d. Approval of this notice does not warrant or uitable title to those rights in the subject lease act operations thereon. | Office | В | UREAU OF LAND N CARLSBAD FIEL | | | |
| Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent | U.S.C. Section 1212, make it a crime for any | person knowingly and | willfully to make | e to any department or | agency of the U | Jnited | |

(Instructions on page 2)
** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **



Additional data for EC transaction #481736 that would not fit on the form

32. Additional remarks, continued

tag.cmt @ 2157', notified BLM. PUH to 1030', M&P 25sx CI C cmt, PUH, WOC.

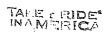
*

8/27/19 RIH & tag cmt @ 660', notified BLM, POOH. ND BOP, nu flange, RIH & perf 4-1/2" & 8-5/8" @ 352', EIR @ 3bpm @ 120#_circ to surface, circ clean, close surface valve, Circ to surface on intermediate, circ clean. M&P 120sx CL C cmt, circ to surf on intermediate, close in valve. Open up surface valve, M&P 112sx Cl C cmt, circ cmt to surface. Cmt to surface visually verified on all csg strings. Notified BLM, RDPU.



BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines (Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure). Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- 1 The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you

have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Petroleum Engineering Tech 575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Crisha Morgan Environmental Protection Specialist 575-234-5987

Melissa Horn Environmental Protection Specialist 575-234-5951

Kelsey Wade Environmental Protection Specialist 575-234-2220

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612