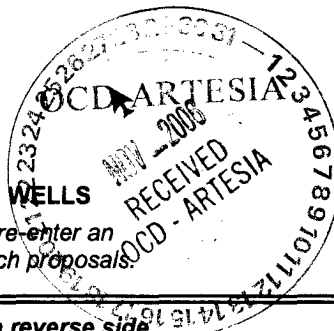


Form 3160-5
(April 1996)
S

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.



FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

5. Lease Serial No.

NM-12828

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Shelby 12 Federal #7

9. API Well No.

30-015-34985

10. Field and Pool, or Exploratory Area

McKittrick Hills, Up. Penn

11. County or Parish, State

Eddy NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

OXY USA WTP Limited Partnership

192463

3a. Address

P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. (include area code)

432-685-5717

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

SL - 240 FSL 1840 FEL SWSE(0) Sec 12 T22S R24E

BHL - 1146 FSL 1766 FEL SWSE(0) Sec 12 T22S R24E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other **Set**

Casing & Cement

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 final site is ready for final inspection.)

See other side/attached

Accepted for record - NMOC D

10/29/06

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

10/23/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

Date

NOV 22 2006

WESLEY W. INGRAM
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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 the jurisdiction of such department or agency.

SHELBY 12 FEDERAL #7

Date: 08/26/2006

DRLG 8 3/4" HOLE FROM 1702' TO 2004'

WLS @ 1967' (2")

DRLG 8 3/4" HOLE FROM 2004' TO 2338'

Date: 08/27/2006

DRLG 8 3/4" HOLE FROM 2338' TO 2494'

WLS @ 2449' (1.75")

DRLG 8 3/4" HOLE FROM 2494' TO 2715'

Date: 08/28/2006

DRLG 8 3/4" HOLE FROM 2715' TO 2875'

WLS @ 2828 (1")

DRLG 8 3/4" HOLE FROM 2875' TO 3135'

Date: 08/29/2006

DRLG 8 3/4" HOLE FROM 3135' TO 3281'

PULL 5 STANDS

JET PITS

TIH W/ 5 STANDS

DRLG 8 3/4" HOLE FROM 3281' TO 3490'

Date: 08/30/2006

DRLG 8 3/4" HOLE FROM 3490' TO 3920'

Date: 08/31/2006

DRLG 8 3/4" HOLE FROM 3920' TO 4300'

PUMP SWEEP

RUN GYRO FOR TIE IN KOP

PUMP SWEEP

TOOH TO LD 6" DC'S AND PU DIRECTIONAL TOOLS

Date: 09/01/2006

TOH, RU LD MACHINE LD 12 DP & 30 DC'S

JET CLEAN PITS

PICKUP MOTOR & MWD TOOLS, 39 JTS HWDP, RD LD MACHINE

REPACK SWIVEL

TIH

WASH TO BOTTOM

SLIDE/ROTATE DRLG 8 3/4" HOLE, 4300 TO 4385

Date: 09/02/2006

DIR DRLG 8 3/4" HOLE 4385-4822

Date: 09/03/2006

DRLG 8 3/4" HOLE 4822 TO 5255 W/DIR TOOLS

Date: 09/04/2006

DRLG 8 3/4" HOLE FROM 5255' TO 5649' W/DIR TOOLS

Date: 09/05/2006

DRLG 8 3/4" HOLE FROM 5649 TO 6030 W/DIR TOOLS

Date: 09/06/2006

DRLG 8 3/4" HOLE FROM 6049' TO 6410' W/DIR TOOLS

Date: 09/07/2006

DRLG 8 3/4" HOLE W/DIR TOOLS

SURVEY

TOH CHANGE BITS, MOTORS

JET & CLEAN PITS

CUT DRLG LINE

TIH

WASH & REAM TO BOTTOM

DRLG 8 3/4" HOLE W/DIR TOOLS

Date: 09/08/2006

DRLG 8 3/4" HOLE FROM 6555 TO 6975 W/DIR TOOLS

Date: 09/09/2006

DRLG 8 3/4" HOLE FROM 6975' TO 7385' W/DIR TOOLS

Date: 09/10/2006

DRLG 8 3/4" HOLE FROM 7385 TO 7758 W/DIR TOOLS

Date: 09/11/2006

DRLG 8 3/4" HOLE W/DIR TOOLS, LOST RETURNS @ 8047

TOH LD DIR TOOLS

Date: 09/12/2006

LD DIR TOOLS

MIX LCM SWEEP

TIH

PUMP & MIX 2-8 bbl LCM SWEEPS, NO RETURNS

WASH & REAM TO BOTTOM, NO FILL

DRLG 8 3/4" HOLE W/NO RETURNS, PUMP 30 bbl LCM SWEEP EACH KELLY DOWN

Date: 09/13/2006

DRLG 8 3/4" HOLE W/NO RETURNS

SAFETY MEETING

DRLG 8 3/4" HOLE W/NO RETURNS, TD @ 8675' @ 6 AM CST 9/13/06

Date: 09/14/2006

PUMP WATER NO RETURNS, SPOT 80 bbl 45 VIS SWEEP ON BOTTOM

RU SCIENTIFIC DRILLING & RUN GYRO

TOH 34 STDS

WAIT ON BANK

TIH

SPOT 80 bbl 45 VIS SWEEP ON BOTTOM

TOH

RU BAKER ATLAS LOG, LOGER TD 8656'

Date: 09/15/2006

FINISH LOG, RD LOGGER

TIH

RU LD MACHINE, HELD SAFETY MEETING

SPOT 80 bbl 45 VIS SWEEP ON BOTTOM

TOH LD DP

RU CSG CREW, HELD SAFETY MEETING

RUN 7" 26# J55 CSG

Date: 09/16/2006

FINISH RUNNING 7" PRODUCTION CASING & SET @ 8655' W/ ECP @ 6023'

PUMP CAPACITY, RD CASERS, RU HES FOR N2 CEMENT JOB

CEMENT FIRST STAGE W/ 100 SKS ACID SOLUBLE CEMENT @ 15 PPG, 2.55 FT3/SK FOAMED & 2ND LEAD OF 300 SKS PREMIUM NEAT CEMENT 15.2 PPG, 1.25 FT3/SK FOAMED AND 150 SKS SUPER "H" @ 13 PPG, 1.67 FT3/SK DISPLACE W/ 331 BBLs FRESH H2O LAND PLUG, CHECK FLOATS AND INFLATE ECP (GOOD INFLATION) LAND PLUG @ 1700 MST

DROP BOMB TO OPEN DV TOOL

OPEN DV TOOL @ 900 PSI CIRCULATED 15 SKS OFF DV TOOL

CEMENT 2ND STAGE W/ 600 SKS INTERFILL "C" @ 11.5 PPG, 2.77 FT3/SK AND 100 SKS CLASS "C" 2% CACL2 @ 14.8 PPG, 1.34 FT3/SK DISPLACE W/ 233 BBLs FRESH H2O, LAND PLUG CLOSE DV TOOL (DID NOT CIRCULATE CEMENT)

WOC TO RUN TEMP SURVEY

Date: 09/17/2006

WOC FOR TEMP SURVEY

RU BAKER ATLAS, RUN TEMP SURVEY TO 3500' FIND TOC @ 1860', TALKED TO WESLEY INGRAM W/ BLM AND GAINED VARIANCE @ 1000 AM

ND BOP

SET TUBING HEAD AND BLIND FLANGE TEST WELL HEAD TO 3000 PSI NO LEAKS

RG RIG, JET AND CLEAN PITS, RIG RELEASED @ 0000 MST

RIG RELEASED