

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

JUN 29 2007

2. Name of Operator

OXY USA WTP Limited Partnership

OCD-ARTESIA 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)

1990 FNL 910 FEL SENE(H) Sec 12 T2S R24E

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 #6

9. API Well No.

30-015-34984

10. Field and Pool, or Exploratory Area

McKittrick Hills Up. Penn

11. County or Parish, State

Eddy NM

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 Request

1 year extension

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.)

OXY USA WTP Limited Partnership respectfully requests that the APD for the Shelby 12 Federal #6, API No. 30-015-34984 be granted a one year extension, this permit is due to expire 6/13/07. Please see attached for a copy of the 3160-3.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED FOR 24 MONTH PERIOD
ENDING 6-13-09

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

David Stewart

Title

Sr. Regulatory Analyst

Date

6/4/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ James Stovall

FIELD MANAGER

Date JUN 27 2007

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 CARLSBAD FIELD OFFICE

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 its jurisdiction.

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

H-0669 5/27/06

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

PVT.
OCD-ARTESIA

REENTER 06

5. Lease Serial No.
NM-12828

1a. Type of Work ☒ DRILL ☐ REENTER

6. If Indian, Allottee or Tribe Name

1b. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

7. Unit or CA Agreement Name and No.

2. Name of Operator
OXY USA WTP Limited Partnership

8. Lease Name and Well No. 301966
Shelby 12 Federal #6

3a. Address
P.O. Box 50250 Midland, TX 79710-0250

3b. Phone No. (include area code)
432-685-5717

9. API Well No.
30-015-34984

4. Location of Well (Report location clearly and in accordance with any State requirements)*

At surface 1990 FNL 910 FEL SENE(H)

At proposed prod. zone 1728 FNL 1953 FEL SWNE(G)

10. Field and Pool, or Exploratory
McKittrick Hills Up. Penn

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 12 T22S R24E

14. Distance in miles and direction from nearest town or post office*

10 miles west from Carlsbad, NM

12. County or Parish
Eddy

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any)
SL-910' BHL-1728'

16. No. of Acres in lease
320

17. Spacing Unit dedicated to this well
640

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
2028' -3 2431' -5

19. Proposed Depth
8600' (VD) 8950' (MD)

20. BLM/BIA Bond No. on file
ES0136

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3866'

22. Approximate date work will start*
8/1/06

23. Estimated duration
30 days

24. Attachments CARLSBAD CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

David Stewart

Name (Printed/Typed)

David Stewart

Date

5/25/06

Title

Sr. Regulatory Analyst

Approved by (Signature)

/s/ James Stovall

Name (Printed/Typed)

/s/ James Stovall

Date

JUN 20 2006

Title

Acting FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval 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.

Conditions of approval, if any, are attached.

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.

APPROVAL FOR 1 YEAR

(Instructions on Reverse)

AREA OF MAJOR CONCERN FOR CITY OF CARLSBAD

DECLARED WATER BASIN
CEMENT BEHIND THE 9 5/8" CEMENT IN S-100 LOT
CASING MUST BE CIRCULATED

WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

79.5

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Oxy USA WTP LP
Well Name & No. 6-Shelby 12 Federal
Location: 1990' FNL, 0910' FEL, Sec. 12, T-22-S, R-24-E, Eddy County, NM
Lease: NM-12828

.....

I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
 2. Setting and/or Cementing of all casing strings
 3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. **Although no Hydrogen Sulfide has been reported in this section, it is always a potential hazard. It has been reported in the township to the north measuring 8000 ppm in the gas stream and 100 ppm in STVs.**
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- D. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

II. CASING:

- A. The 9-5/8 inch surface casing shall be set at approximately 1600 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 4. If cement falls back, remedial action will be done prior to drilling out that string.

Possible lost circulation in the Grayburg and San Andres formations.

High cave/karst potential.

Area of major concern for City of Carlsbad.

- B. The minimum required fill of cement behind the 7 inch production casing is **cement to circulate to surface. Both stages to circulate.** If cement does not circulate see A.1 thru 4.
- C. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

III. PRESSURE CONTROL:

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Section 17.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) PSI.**
- C. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - 1. The tests shall be done by an independent service company.
 - 2. The results of the test shall be reported to the appropriate BLM office.
 - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
 - 5. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

- 1. Recording pit level indicator to indicate volume gains and losses.
- 2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- 3. Flow-sensor on the flow line to warn of abnormal mud returns from the well

Engineer on call phone (after hours): 505-706-2779
WWI 062607