

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.*

**S**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

MAR 06 2008

2 Name of Operator

OXY USA WTP Limited Partnership

OCD-ARTESIA

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)

660 FSL 660 FEL SESE(P) Sec 15 T20S R28E

5 Lease Serial No

NM0554216

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

#4

9 API Well No.

30-015-32655

10. Field and Pool, or Exploratory Area  
Burton Flat Wolfcamp, North

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 ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off  
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity  
☐ Casing Repair ☐ New Construction ☒ Recomplete ☐ Other  
☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon  
☐ Convert to Injection ☒ Plug Back ☐ 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 recomple 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 recomple 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 Attached

APPROVED

MAR 4 2008

LES BABYAK  
PETROLEUM ENGINEER

AFTER RECOMPLETION AND TESTING  
PLEASE SUBMIT 3160-4 COMPLETION  
REPORT FOR THE WOLF CAMP  
INTERVAL(S) WITHIN 30 DAYS

APPROVED FOR 3 MONTH PERIOD  
ENDING JUN 6 2008

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

David Stewart

Title

Sr. Regulatory Analyst

Date

2/6/08

**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, 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

Accepted for record - NMOCD

## **RECOMMENDED PROCEDURE:**

**WARNING:** A POISONOUS GAS - HYDROGEN SULFIDE (H<sub>2</sub>S) - A HIGHLY TOXIC COLORLESS GAS THAT IS HEAVIER THAN AIR MAY BE PRESENT AT THIS LOCATION AND/OR PRESENT IN THE GAS AND LIQUIDS INJECTED OR PRODUCED FROM THIS WELL. PLANS MUST BE REVIEWED DEALING WITH H<sub>2</sub>S SAFETY PRIOR TO WORKING ON THIS WELL. CHECK WITH FOREMAN CONCERNING LOCAL CONDITIONS.

1. Check location for hazardous conditions. Ensure well is dead. MIRU PU.
2. POOH with production equipment and NU BOP.
3. Set CIBP @ 11050' and cap with 25sx cement. Circulate hole with 10# mud-laden fluid.
4. M&P 25sx cement @ 10314-10214'. Wait on cement and tag. Circulate hole with 10# mud-laden fluid.
5. M&P 25sx cement @ 10064-9964'. Wait on cement and tag. Circulate hole with 10# mud-laden fluid.
6. RIH casing guns and perforate with (1) 6' gun and (1) 4' gun using 2 jspf @ 90 degree phasing, and treat using SPA with 17% CSA HCl as follows:
  - 9141' – 9147' 2400gals
  - 9134' – 9138' 1600gals
7. Over displace tubing by 150% treated fresh water. SI well for 1 hr. Rig down HES. Swab or flow back spent acid until clean.
8. Contact chemical rep. for scale inhibition squeeze treatment recommendations.
9. POOH with treating tubing and equipment.
10. RIH with lift equipment.
11. RDPU.

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd, Aztec, NM 87410  
District IV  
1220 S St. Francis Dr, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised October 12, 2005

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-32655	<sup>2</sup> Pool Code 73280	<sup>3</sup> Pool Name Burton Flat Wolfcamp, North
<sup>4</sup> Property Code 27650	<sup>5</sup> Property Name Government AC	<sup>6</sup> Well Number 4
<sup>7</sup> OGRID No 192463	<sup>8</sup> Operator Name OXY USA WTP Limited Partnership	<sup>9</sup> Elevation 3239'

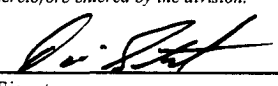
<sup>10</sup> Surface Location

UL or lot no. P	Section 15	Township 20S	Range 28E	Lot. Idn	Feet from the 660	North/South line south	Feet from the 660	East/West line east	County Eddy
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-12839						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A  
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup>				<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature 2/6/08 Date David Stewart Printed Name Sr. Regulatory Analyst
				<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</i>
				Date of Survey Signature and Seal of Professional Surveyor
				Certificate Number

State of New Mexico

(D)

DISTRICT I

P.O. Box 1288, Santa Fe, NM 87504-1288

DISTRICT II

P.O. Box 100, Artesia, NM 87011-0100

DISTRICT III

1000 El Estero Rd., Artesia, NM 87410

DISTRICT IV

P.O. Box 1000, Santa Fe, NM 87504-1000

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-	Pool Code 73520	Pool Name Burton Flat Wolfcamp, North
Property Code	Property Name GOVERNMENT AA COM	Well Number 2
OGED No. 192463	Operator Name OXY U.S.A. W.T.P., LP	Elevation 3231'

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
D	23	20-S	28-E		190'	NORTH	350'	WEST	EDDY

Bottom Hole Location If Different From Surface

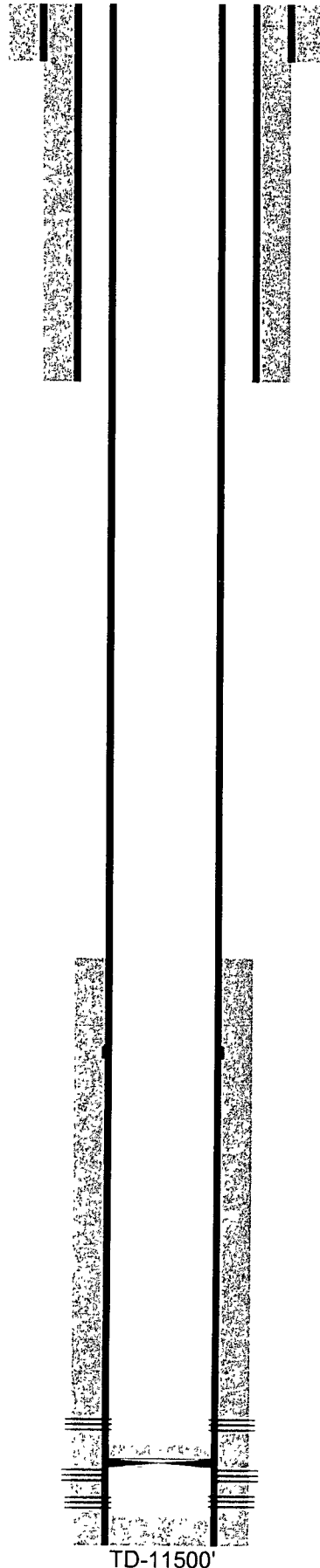
UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
A	15	20S	28E		675	north	261	east	Eddy
M	23	20S	28E		678	south	237	west	Eddy

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
2560	Y		All interest in the Government AA #2 will be common.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>15 675'</p> <p>TL(1) 261'</p> <p>AA-2</p> <p>Govt T-2 • 3001521323</p> <p>Govt AC-1 • 3001521432</p> <p>Govt U-1 • 3001521020</p> <p>Govt W-2 • 3001526253</p> <p>22</p>		<p>14</p> <p>Govt T-1 • 3001520958</p> <p>190'</p> <p>350'</p> <p>AA-2 (SL/PP) • Govt AA-1 3001521286</p> <p>Govt Z-1 • 3001521242</p> <p>TL(2) 678'</p> <p>AA-2</p> <p>Producing Area</p> <p>Project Area</p> <p>23</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein to be true and complete to the best of my knowledge and belief.</p> <p><i>David Stewart</i></p> <p>Signature</p> <p>David Stewart</p> <p>Printed Name</p> <p>Sr. Regulatory Analyst</p> <p>Title</p> <p>12/22/03</p> <p>Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>November 05 2003</p> <p>Date Surveyed</p> <p>Signature</p> <p>Professional Surveyor</p> <p>NEW MEXICO</p> <p>8314.1227</p> <p>12841</p>
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OXY USA WTP LP - Current  
Government AC #4  
API No. 30-015-32655



17-1/2" hole @ 325'  
13-3/8" csg @ 325'  
w/380sx-TOC-Surf-Circ

12-1/4" hole @ 2900'  
9-5/8" csg @ 2900'  
w/1595sx-TOC-Surf-Circ

5/03-Sqz 150 cmt @ 8604-8137'

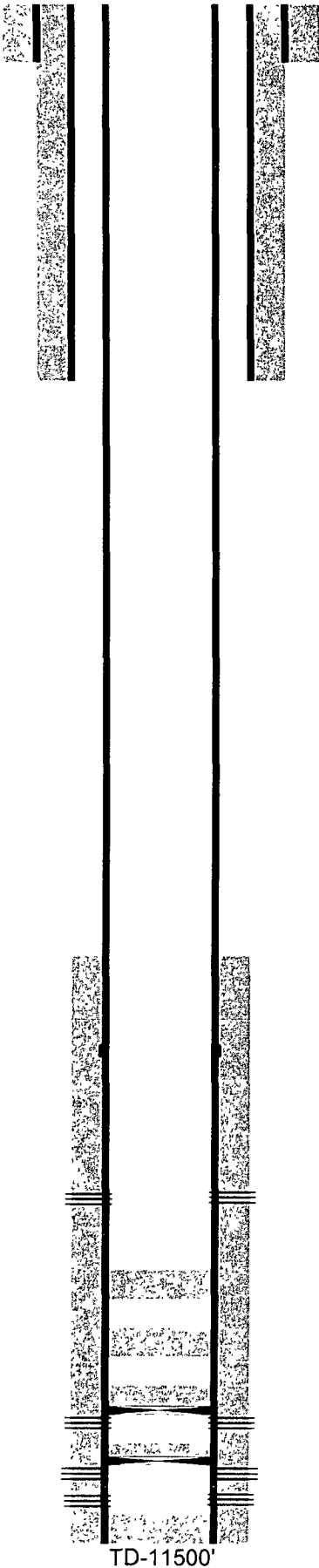
8-3/4" hole @ 11500'  
5-1/2" csg @ 11488'  
DV Tool @ 8610'  
w/750sx-TOC-8610'-CBL

9/04-CIBP @ 11230' w/ 35' cmt  
6/04-Sqz perfs 11260-11266' w/125sx cmt  
PBTD-11434'

Perfs @ 11105-11112'  
Perfs @ 11260-11266'  
Perfs @ 11344-11350'

TD-11500'

OXY USA WTP LP - Proposed  
Government AC #4  
API No. 30-015-32655



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 13908  
ORDER NO. R-12839

APPLICATION OF OXY USA WPT, LIMITED  
PARTNERSHIP, FOR AUTHORIZATION TO  
SIMULTANEOUSLY DEDICATE A  
STANDARD SPACING AND PRORATION  
UNIT IN THE WOLFCAMP FORMATION TO  
A HORIZONTAL WELL AND TWO  
VERTICAL WELLS, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 21 and August 9, 2007, at Santa Fe, New Mexico, before Examiners David K. Brooks and Richard Ezeanyim.

NOW, on this 29<sup>th</sup> day of October, 2007, the Division Director, having considered the testimony, the record and the recommendations of the Examiners,

FINDS THAT:

- (1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.
- (2) By this application, OXY USA WPT, Limited Partnership, ("OXY" or "Applicant") seeks to simultaneously dedicate the S/2 of Section 15, Township 20 South, Range 28 East, NMPM, in Eddy County, New Mexico, in the North Burton Flat-Wolfcamp Gas Pool (73520), to the following three wells:

The Government AC Com Well No. 1 (API No. 30-015-21432), a vertical well presently completed in the Wolfcamp, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 15;

The Government AA Com Well No. 2 (API No. 30-015-32283), a horizontal well presently completed in the Wolfcamp, having a surface location 190 feet from the North line and 350 feet from the West line (Unit D) of Section 23, Township 20 South, Range 28 East, and projected horizontally in a northerly direction to a northern terminus 675 feet from the North line and 261 feet from the East line (Unit A) of Section 15 (and also projected southward to a separate terminus in Unit M of Section 23); and

The Government AC Com Well No. 4 (API No. 30-015-32655), a vertical well located 660 feet from the South and East lines (Unit P) of Section 15, presently completed in the Morrow, which Applicant seeks to re-complete in the Wolfcamp.

(3) Well density in the North Burton Flat-Wolfcamp Gas Pool is governed by statewide Rule 104.C(2), which provides 320-acre units, on each of which two wells may be located, provided the wells are located in different quarter sections.

(4) The S/2 of Section 15 is a standard gas spacing unit in this pool. Because the Government AC Com Well No. 1 is located in the SW/4 of Section 15, and the horizontal shaft of the Government AA Com Well No. 2 crosses the S/2 of Section 15 only through the SE/4, the present well configuration conforms to Rule 104.C(2). However, a simultaneous dedication exception is required for the addition of a third Wolfcamp completion, the Government AC Com Well No. 4, in this unit.

(5) At the hearing, Applicant presented land and engineering testimony as follows:

(a) The Government AA Com Well No. 2 is a horizontal well dedicated to a project area (Rule 111) comprising all of Sections 14, 15, 22 and 23 of Township 20 South, Range 28 East.

(b) The entire project area is communitized in the Wolfcamp, such that working interest ownership is uniform throughout this four-section area.

(c) OXY is the operator and 100% working interest owner in the offsetting acreage to the west of Section 15.

(d) The existing Wolfcamp wells in this area are not adequately draining the reservoir.



(e) The limited drainage area of these wells is illustrated by relatively high bottomhole pressures encountered in wells located a short distance from existing producing wells. Thus, in drilling of the Government AC Com Well No. 4 in the SE/4 of Section 15 in 2004, Applicant measured the bottomhole pressure in the Wolfcamp formation as 3078 psi, whereas the bottomhole pressure in Government AC Well No. 1 in the SW/4 a year before that was down to 1300 psi.

(f) Using engineering calculations based on the initial bottomhole pressure and production history from the horizontal Government AA Com Well No. 2, Applicant's engineering witness calculated the probable ultimate drainage area from that well to be 97 acres.

(g) Dividing this drainage area by the 9200 foot total length of the two horizontal shafts of this well, the witness calculated that it would only drain the area within 450 feet of the wellbore. Given this limited drainage radius and the fact that the wellbore only crosses a small portion of the S/2 of Section 15, the witness concluded that reserves will be left in the ground unless another well is completed in the Wolfcamp in the SE/4 of Section 15.

(6) No other party appeared at the hearing or otherwise opposed this application.

**The Division concludes that:**

(7) Simultaneous dedication of the subject unit to Applicant's Government AC Com Well No. 4, in addition to the two wells already completed in the Wolfcamp in that unit, will, in reasonable probability, enable Applicant to produce gas reserves that cannot be produced from existing Wolfcamp completions.

(8) Granting of this application will prevent waste and will not impair correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) Simultaneous dedication of the S/2 of Section 15, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, in the North Burton Flat-Wolfcamp Gas Pool, to the following three wells is hereby approved:

The Government AC Com Well No. 1 (API No. 30-015-21432), a vertical well presently completed in the Wolfcamp, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 15;

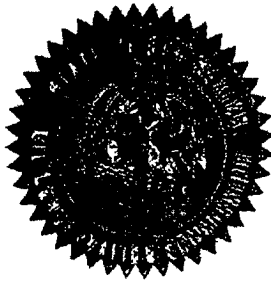
The Government AA Com Well No. 2 (API No. 30-015-32283), a horizontal well presently completed in the Wolfcamp, having a surface location 190 feet from the North line and 350 feet from the West line (Unit

D) of Section 23, Township 20 South, Range 28 East, and projected horizontally in a northerly direction to a northern terminus 675 feet from the North line and 261 feet from the East line (Unit A) of Section 15 (and also projected southward to a separate terminus in Unit M of Section 23); and

The Government AC Com Well No. 4 (API No. 30-015-32655), a vertical well located 660 feet from the South and East lines (Unit P) of Section 15, presently completed in the Morrow, to be re-completed in the Wolfcamp.

(2) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.  
Director