

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

2. Name of Operator

OXY USA Inc.

16696

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)

1721 FNL 590 FEL SENE(H) Sec 29 T23S R31E

5. Lease Serial No

NMNM0281482A

6. If Indian, Allottee or Tribe Name

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

NMOCD ARTESIA

8. Well Name and No.

Mobil Federal

#2

9 API Well No

30-015-37335

10 Field and Pool, or Exploratory Area
Sand Dunes Delaware, West

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 Spud, Set

Casin & 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 attached

ACCEPTED FOR RECORD

APR 10 2010

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

David Stewart

Title

Sr. Regulatory Analyst

Date

3/4/10

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.



MOBIL FEDERAL #2

SPUD 14-3/4" SURFACE HOLE @ 23:00 2/3/10 DRILL TO 428'.

RUN 11-3/4", CASING 42 #, H-40, STC, R-3 FROM SURFACE TO 428'.

PUMP 350 SKS (84 BBL) PREMIUM PLUS @ 14.8 PPG, 1.35 YIELD. CIRCULATE 36 BBL, 149SKS CEMENT TO SURFACE

NIPPLE UP 11" 5K LB BOP STACK (BOTTOM TO TOP):

DSA (DOUBLE STUDDER ADAPTER) 13-5/8" x 3K LB X 11" x 5K LB.

SPOOL 11" x 5K LB X 11" x 5K LB.

11" x 5K LB PSI DOUBLE RAM (BLINDS ON BOTTOM, 4 1/2" PIPE RAMS ON TOP).

11" x 5K LB PSI ANNULAR PREVENTER.

11" x 5K LB ROTATING HEAD.

TEST BOP EQUIPMENT 250 PSI LOW AND 2000 PSI HIGH, 10 MIN EACH

WOC FOR 24 HRS, PRIOR TESTING SURFACE CASING.

DRILL 10-5/8" INTERMEDIATE HOLE TO 4257' 2/8/10.

RUN 8-5/8" INTERMEDIATE CASING J-55, 32#, LTC & SET @ 4257'

PUMP 990 SKS (330 BBL) HALLIBURTON LIGHT PREMIUM PLUS @ 12.9PPG, 1.85 YIELD FOLLOWED BY 200 SKS (48 BBL)

PP @ 14.8PPG, 1.34 YIELD. CIRCULATED 90 BBLS, 272 SKS LEAD CEMENT TO SURFACE. WOC

TEST BOP EQUIPMENT 250 PSI LOW AND 5000 PSI HIGH 10 MIN EACH

DRILLED 7-7/8" PRODUCTION HOLE TO 8115' 2/15/10.

PUMP 1 BOTTOMS UP VOLUME, PUMP OUT OF HOLE TO 7000', SPOT 100 BBL 80 PPB LCM PILL, LOAD BACKSIDE, MIX & SPOT 100 BBL 70 PPB LCM PILL & LET HEAL FOR 4 HR, IMMEDIATE RETURNS ON BACKSIDE, TOH TO RUN PRODUCTION CSG, WILL RUN CASED HOLE LOGS PRIOR TO COMPLETION.

RUN 5-1/2" 17# J-55 CSG & SET @ 8115' W/ DV @ 6010'. & POST @ 4344'.

CEMENT 1ST STAGE W/ 530 SKS (153 BBL) CL H CEMENT @ 13.2 PPG, 1.62 YIELD. DURING DISPLACEMENT, LOST RETURNS WHILE SLOWING TO 3 BPM TO GO THROUGH DV TOOL, THEN REGAINED PARTIAL RETURNS AFTER RESUMING 5 BPM, LOST RETURNS AGAIN AFTER SLOWING TO 3 BPM TO GO THROUGH POST TOOL, NEVER REGAINING RETURNS - ESTIMATED LOSSES AT 93 BBLS. CALCULATED TOP OF CEMENT AT 6190'.

DISCUSSED FOWARD PLANS WITH HOUSTON TO PUMP 1 BBLS / 15 MINUTES FOR FOUR HOUR. TALKED WITH BLM AT 22:30 ABOUT FOWARD PLANS - GOT OK TO PROCEED FROM JERRY BLAKLEY-BLM. PRESSURE UP WITH HALLIBURTON PUMPS TO 660 PSI AND OPEN DV TOOL (AT 6009'). PUMP 2 BBLS TO CLEAR TOOL. TURN OVER TO RIG, & PUMP 1 BBL EVERY 15 MINUTES. MONITOR RETURNS ON TRIP TANK. AT 23:30 HRS BEGAN TO GET 1 BBL RETURNS FOR EVERY 1 BBL PUMPED. CIRCULATE BOTTOMS UP NO CEMENT RETURNS TO SURFACE.

CEMENT 2ND STAGE W/ 560 SKS (160 BBL) CL H CEMENT @ 13.2PPG, 1.62YIELD. LOST RETURNS 100 BBLS INTO SLURRY, SLOWED RATE TO 5 BPM WITH 90 PSI. DROP PLUG, DISPLACED WITH 137 BBLS. BUMPED PLUG WITH 312 PSI FINAL DISPLACEMENT PRESSURE. INCREASE PRESSURE TO 1500 OVER. CLOSE DV TOOL WITH 1800 PSI. HOLD FOR 5 MIN. TOOL HOLDING. BLED BACK 2 BBLS. NEVER REGAIN RETURNS. EST TOP OF CEMENT AT 4623' (POST TOOL SET AT 4329').

JERRY BLAKLEY WITH BLM AT 08:43 HRS DISCUSSED LOSING TOTAL RETURNS ON 2ND STAGE CEMENT JOB AND TOLD HIM OUR FORWARD PLAN HE SAID HE WOULD TALK TO ENGINEER WESLEY INGRAM AND CALL US BACK. BLM CALLED BACK AT 09:00 HRS. AND SAID TO CARRY ON WITH OUR FOWORD PLAN AND CEMENT THE 3RD STAGE.

CEMENT 3RD STAGE W/ 460 SKS (162 BBL) IFC @ 12.4 PPG, 1.98 YIELD FOLLOWED BY 100 SKS (24 BBL) PP @ 14.8 PPG, 1.33 YIELD. DROP PLUG AND DISPLACE, STARTED LOSING PARTIAL RETURNS AT 70 BBLS GONE, AT 85 LOST TOTAL RETURNS. BUMPED PLUG 97 BBLS 2330 PSI AT 14:40 HRS, FINAL LIFT PRESSURE 556 PSI PRESSURE UP TO 2000 PSI TO CLOSE STAGE TOOL ABOVE POST. HELD 5 MIN., FLOATS HOLDING. EST TOP OF CEMENT 1500-2000'. NOTIFIED JERRY BLAKLEY WITH BLM AT 15:00 HRS DISCUSSED WE LOST TOTAL RETURNS 85 BBLS INTO DISPLACEMENT OF 3RD STAGE CEMENT JOB. PLAN FOWORD NIPPLE DOWN BOP AND SET 5 1/2" CASING SLIPS. CLEAN OUT STEEL PIT. RELEASE RIG AT 23:59 HRS 2/17/10