

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)

250 FSL 250 FEL SESE(P) Sec 3 T22S R31E

5. Lease Serial No.

NMNM0417696

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lost Tank 3 #24
Federal

9. API Well No.

30-015-37922

10. Field and Pool, or Exploratory Area

Lost Tank 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

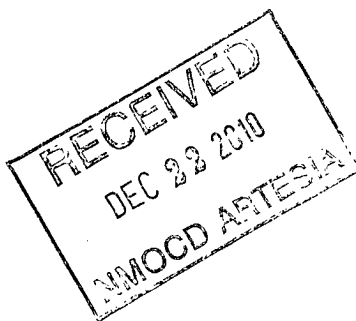
☐ Water Shut-Off

☐ Well Integrity

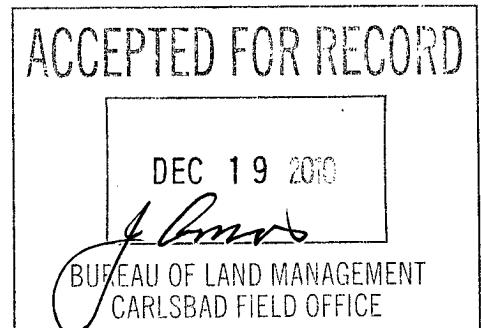
☒ Other Spud, set

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 attached.



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

David Stewart

Title

Sr. Regulatory Analyst

Date

12/13/10

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.

DJS CCH

SPUD 14-3/4" SURFACE HOLE AT 19:00 HRS ON 11/13/ 2010, DRILL TO 681'

RIH W/ 11-3/4", H-40, 42# STC CASING AS FOLLOWS

01 TX PTTRN SHOE -STC 687.12'(WEATHERFORD TIGER TOOTH)

01 SHOE JOINT - STC WITH STOP RING 10' UP FROM SHOE.

01 FLOAT COLLAR 642.87' (WEATHERFORD)

15 CASING JOINTS, STC, CASING TO SURFACE.

PUMP CEMENT AS FOLLOW: 20 BBLs GEL SPACER WITH RED DYE AT 5 BPM + 570 SACKS (137 BBL), 14.8 PPG, 1.35 YIELD , MIX WATER 6.39 GAL/SK, AT 7 BPM. WASH UP ON TOP OF PLUG AND DISPLACEMENT WITH 76.5 BBLs FRESH WATER AT 7 BPM, 280 PSI, SLOWED TO 2.5 BPM LAST 11.5 BBLs. BUMP THE PLUG TO 800 PSI (520 OVER) AT 17:30 HRS. HELD FOR 10 MINUTES BLEED BACK 1.0 BBL FLOAT HELD. BUMPED PLUG @ 17:30. CIRCULATED 66 BBLs (276 SACKS) OF EXCESS CMT. NOTE: ROBERT HOSKINSON (BLM OFFICIAL) WAS ON LOCATION TO WITNESS CEMENT JOB.

WAIT ON CEMENT, CLEANING PITS AND HAULING WATER

FINAL CUT 11.75" CASING 41" BELOW GROUND LEVEL INSTALL FMC CASING HEAD (C-22-EG, 11-3/4" SOW x 13-5/8" x 3K TOP FLANGE), VALVES FACING NORTH / SOUTH

CALLED BLM, ROBERT E. HOSKINSON AND NOTIFIED HIM THAT WE WOULD BE TESTING THE BOP'S ETC. LATER TONIGHT OR TOMORROW.

WELD AND TEST CASING HEAD TO 750 PSI (70% CASING OF COLLAPSE PRESSURE). TESTED SAME WITH N2. PRESSURE 15 MINUTES GOOD TEST.

NIPPLE UP 11" 5K LB BOP STACK (BOTTOM TO TOP): DSA (DOUBLE STUDDED 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.

TESTING WITH MONAHANS NIPPLE UP TESTERS, THIRD PARTY TESTER. BOPS WITH CLOSED CASING VALVE AGAINST 11.75" CASING. LOW 250, HIGH 1386. TEST FAILED ON THE CASING. THE FMC HEAD PARTED FROM THE CASING. T 16:45 HRS CALLED, OXY DRILLING SUPT, FMC FIELD REP AND INFORMED THEM OF THE PROBLEM . TOOK A PICTURES OF THE WELLHEAD AND CASING WAIT ON FMC INSPECTOR (KEATH MCGILL) AND WELDER TO ARRIVE LOCATION. MAN WELDING WAS THE COMPANY THAT DID THE WELDING AND THE WELDER NAME IS (CHARLES DUHON). WELD AND INSTALL NEW FMC CASING HEAD (C-22-EG, 11-3/4" SOW x 13-5/8" x 3K TOP FLANGE) TEST 750 PSI. WITH N2 HELD 15 MINUTES GOOD TEST.

VALVES FACING NORTH / SOUTH

TESTING WITH MONAHANS NIPPLE UP TESTERS, THIRD PARTY TESTER.

BOPS WITH CLOSED CASING VALVE AGAINST 11.75" CASING.

TEST # 1) BLIND RAM, 11.75" 42# CASING, INSIDE KLV, CMV 4, 5, 6, 7, CASING - LOW 250, HIGH 1386.

TEST # 2) BLINDS, INSIDE 2" KLV, POWER CHOKE VALVE , OUTSIDE MANUAL CHOKE VALVE, CASING - LOW 250 , HIGH 1386.

TEST # 3) PIPE RAMS , OUTSIDE KLV, INSIDE 2" CMV, CASING - LOW 250 , HIGH 1386.

TEST # 4) CHECK VALVE, HCR VALVE ,T.I.W. VALVE- 250 LOW 1368 HIGH.

TEST # 5) ANNULAR , INSIDE 4" CLV ,DART VALVE - LOW 250 HIGH 1386.

TEST # 6)MANUAL TOP DRIVE VALVE, STANDPIPE, MUDLINES BACK TO PUMPS - 250 LOW , 3500 HIGH.

TEST # 7) MUDLINES TO 4" VALVE @ PUMPS 250 LOW, 3500 HIGH.

TEST # 8) 4" STAND PIPE VALVE 250 LOW, 3500 HIGH.

ACCUMULATOR TEST: 50.72 SECONDS

NO LEAKS ON ANY TEST, 30 MINUTES OF REQUIRED PRESSURE ON ALL TESTS, ALL TESTS ARE DOCUMENTED AS PER OXY AND B.L.M. REQUIREMENTS,BLM REP BOB HOSKINSON WAS NOT ON LOCATION DURING TESTING OPERATION BUT ASKED US TO GATHER ALL DOCUMENTATION AND HE WOULD STOP BY LATER

DRILL OUT CEMENT AND FLOAT EQUIPMENT FROM 601' TO 681', DRILL 10' NEW FORMATION TO 691', 400 GPM, 2000 PSI. SRPM 50, MRPM 88, BRPM 138. CIRCULATE GOT A CONSISTENT MUD WT. OF 9.6 PPG, PUMPED 30 BBLs LCM PILL LEAVING 3.5 BBLs IN PIPE. AY DOWN 2 JTS, CLOSE ANNULAR AROUND DRILL PIPE, FORMATION INTEGRITY TEST AT 681' WITH 9.6 PPG , PRESSURE DRILL PIPE TO 120 PSI, HOLD 5 MINS, LOST 0 PSI, GOOD TEST. EMW= 13.0 PPG.

DRILL 10-5/8" INTERMEDIATE HOLE TO 4061'

RIH W/ 8-5/8" 32# J55 LTC CASING AS FOLLOWS.

01 SHOE MODEL 303A FROM 4061.00' TO 4059.48'

02 SHOE CASING JOINTS FROM 4059.48' TO 3975.87'

FLOAT COLLAR MODEL 402A FROM 3975.87' TO 3974.67'

94 CASING JOINTS TO SURFACE.

NOTIFIED BLM CARLSBAD AT 18:30 HRS TALKED WITH MR. LEGION BRUMLEY GAVE INTENT TO CMT INTERMEDIATE CSG.

PUMP 20 BBL OF GEL SPACER (6 PPB WG-19 GELLING AGENT WITH RED DYE) + 910 SKS (305 BBL), LEAD HALLIBURTON LIGHT PREMIUM PLUS 12.90 PPG, 1.88 FT3/SK YIELD, 9.35 GAL/SK WATER AT 7 BPM + TAIL 200 SKS (48 BBL) PREMIUM PLUS CEMENT , 14.80 PPG , 1.34 FT3/SK, MIXING FLUID: 6.38 GAL/SK. AT 4.5 BPM FULL RETURNS AT ALL TIMES. DROP PLUG , WASH UP ON TOP DISPLACING CEMENT AT 7 BPM WITH 242.5 BBLs FRESH WATER. FINAL CIRCULATING PRESSURE 1075 PSI. BUMPED PLUG AT 01:15 HRS 11/20/2010 TO 1600 PSI. (525 PSI OVER). HELD FOR 5 MINUTES AND BLEED BACK 1.5 BBLs. CIRCULATED 115.5 BBLs (345 SACKS) CEMENT TO SURFACE. LEGION BRUMLEY FROM BLM WITNESS CEMENTING JOB.

NIPPLE UP BOPE, INSTALL CHOKE LINE AND FLOW LINE. NOTE: NOTIFIED CARLSBAD BLM AT 13:45 HRS TALKED TO LEGION BRUMLEY GAVE NOTICE OF TESTING BOPE 250 LOW / 5000 HIGH.

TEST BOP EQUIPMENT 10 MIN LOW (250 PSI) AND 10 MIN HIGH (5000 PSI) AS FOLLOWS BY ALAN IBARRA :
TEST #1 BLIND RAMS, OUTSIDE 4" KLV, INSIDE CHOKE MANIFOLD VALVES, OUTSIDE 4" KILL LINE VALVE, 250 / 5000.
TEST # 2 BLIND RAMS, MANUAL & POWER CHOKE VALVES, OUTSIDE 4" CH. MAN VALVE INSIDE 2" KILL LINE VALVE 250 / 5000.

TEST # 3 BLIND RAMS, INSIDE 2" CHOKE MANIFOLD VALVES, 250 / 5000.

TEST # 4 PIPE RAMS, OUTSIDE 2" KLV, HCR, 250 / 5000.

TEST # 5 PIPE RAMS, INSIDE CHOKE LINE VALVE, 2" CHECK VALVE 250 / 5000. TEST # 6 ANNULAR, INSIDE 4" CHOKE LINE VALVE, 2" CHECK VALVE 250 / 3100.

TEST # 7 TIW , 250 / 5000

TEST # 8 LOWER MANUAL TOP DRIVE VALVE 250 / 5000

TEST # 9 STAND PIPE / MUD LINE BACK TO PUMPS, 250 / 4000.

TEST # 10 DART VALVE 250 / 5000 , HOLD SAFETY MEETING , RIG DOWN MONAHANS TESTER.

DRILL OUT CEMENT, PLUG, FLOAT COLLAR, SHOE TRACK AND 10' NEW FORMATION FROM 3964' TO 4071'.

DRILLING PARAMETERS: 10-12K WOB, 50 SRPM, 80 MRPM (130 TRPM ON BTM), 400 GPM, 1300 PSI ON BTM, 3-4K TQ ON BTM, 1-2K TQ OFF BTM. CIRCULATE EQUAL 8.4 PPG MUD WEIGHT AT 400 GPM 1100 PSI. PERFORM F.I.T. AT 4061' WITH 8.4 PPG MUD WEIGHT TO 422 PSI. EMW= 10.4 PPG. HELD 5 MINUTES WITH NO PRESSURE DROP.

DRILL 7-7/8" VERTICAL PRODUCTION HOLE TO 8265'

LOG WELL WITH CNL / GR / HRLA / LITHODENSITY/ SPEC. GR TOOLS FROM LOGGERS DEPTH 8265' TO INTERMEDIATE CSG SHOE AT 4061', 1800 FPH. LOG INTERMEDIATE CASING SHOE TO SURFACE WITH CNL - SPEC. GR AT A RATE OF 3600 FPH.

RIH W/ 5-1/2" 17# J55 LTC PRODUCTION CASING AS FOLLOWS

01 FLOAT SHOE 8263.53' - 8265'.

02 SHOE JOINTS.

01 FLOAT COLLAR 8180.25' - 8182.08'.

54 CASING JOINTS.

01 DV TOOL (DAVIS LYNCH MODEL 777-HY-3S) 5888.31' - 5890.53'.

41 CASING JOINTS.

01 PUP JOINT 4157.36' - 4165.51'

01 PACKER STAGE TOOL (DAVIS LYNCH MODEL 778-100) 4139.86' - 4157.36'.

97 CASING JOINTS.

01 SPACER JOINT.

01 CSG JOINT TO SURFACE.

NOTE: AT 09:00 HRS NOTIFIED BLM OF CARLSBAD TALKED TO JERRY BLAKELY, BLM OFFICER WITH INTENT TO RUN AND CEMENT PRODUCTION CASING AT 18:30 HRS.

PUMP 1ST STAGE: 20 BBL FRESH WATER / WG-19 GEL SPACER, 520 SKS (149 BBL) CEMENT SUPER H , 13.2 PPG, 1.61 YIELD, 7.83 GAL/SK, AT 8 BPM. AT 800 PSI. DROPPED THE PLUG AT 17:49 HRS AND DISPLACE WITH 70 BBLS 8.4 PPG FRESH WATER AT 7 BPM , FOLLOWED BY 191 BBLS (1 BBL OVER DISPLACEMENT) MUD 9.2 PPG, AT 7 BPM AT 800 PSI SLOW DOWN TO 3.5 BPM LAST 10 BBL, 980 PSI FINAL PRESSURE. DID NOT BUMPED PLUG CEMENT IN PLACE AT 18:19 HRS, HAD FULL RETURNS, BLED BACK ONE BBL FLOAT HOLDING. DROP DV OPENING BOMB AT 18:33 LET GRAVITATE OPEN DV TOOL AT 19:20 HRS WITH 1000 PSI. DROPPED OFF TO 200 PSI ONCE OPEN CIRCULATE OFF DV TOOL WITH HALLIBURTON AT 7 BPM. CIRC 175 SKS (50 BBLS) CEMENT TO SURFACE.

PUMP 2ND STAGE: 20 BBLS GEL SPACER WG-19 + 570 SKS (162 BBL) CEMENT, 13.2 PPG, 1.61 YIELD, 7.82 GAL/SK, AT 8 BPM. DROPPED PLUG AT 23:30 HRS. DISPLACED WITH 60 BBLS 8.4 PPG FRESHWATER FOLLOW WITH 77 BBLS 9.2 PPG MUD AT 8 BPM. AT 375 PSI. BUMPED PLUG AT 00:00 HRS TO 1020 PSI UP TO 2940 (1,920 PSI OVER), TO CLOSE DV TOOL. HOLD FOR 10 MIN. FLOAT HOLDING. BLED BACK 1.5 BBLS

PRESSURE UP TO 350 PSI AND INFLATE THE PACKER AND CONTINUE PUMPING TO 1,649 PSI TO OPEN THE DV TOOL. PUMP 140 BBL 8.6 PPG MUD AT 5 BPM AND CIRCULATE OUT 50 BBLS CEMENT (175 SKS) TO SURFACE

PUMP 3RD STAGE: PUMP 20 BBLS GEL SPACER (WG-19) + 390 SKS (144 BBL) CEMENT, 12.4 PPG, 2.08 YIELD, 11.67 GAL/SK, AT 7 BPM AT 300 PSI. PUMP TAIL CEMENT 150 SKS (35.5 BBL) 14.8 PPG 1.33 YIELD, 6.38 GAL/SK, AT 5 BPM AT 320 PSI. DROP PLUG AT 02:30 AND DISPLACE AT 6.5 BPM 700 PSI. WITH 97.0 BBL FRESH WATER. FINAL DISPLACEMENT PRESSURE 1220 PSI UP TO 3065 AT 2.5 BPM. BUMPED PLUG AT 02:48 HRS, AT 3065 PSI (1845 PSI OVER) AND CLOSE DV TOOL ABOVE POST. HELD 10 MIN. FLOATS HOLDING. BLED BACK 1.5 BBLS. CIRCULATED OUT 54 BBLS CEMENT (188 SKS) TO SURFACE HAVE FULL RETURNS AT ALL TIMES NO LOSSES.

FLUSH CEMENT FROM BOP, KILL AND CHOKE LINE, SHAKER MANIFOLD, FINISH RIGGING DOWN HALLIBURTON LINES. NIPPLE DOWN BOP, CLEANING MUD PITS. MAKE FINAL CUT ON 5 1/2" CASING AND INSTALL FMC 11" 5K X 7 1/16" 5K TUBING HEAD AND TORQUE UP BOLTS. TEST SEALS WITH OIL TO 3400 PSI (FOR 15 MINUTES), TEST GOOD. MUD PITS ARE CLEAN. RELEASED RIG AT 12:30 HOURS 11/26/2010