

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No
2. Name of Operator OXY USA Inc. ✓		8. Well Name and No. Lost Tank 3 #19 Federal ✓
3a. Address P.O. Box 50250, Midland, TX 79710-0250	3b. Phone No. (include area code) 16696 432-685-5717	9. API Well No. 30-015- 37952 ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SL- 2558 FNL 185 FWL SWNW(E) Sec 3 T22S R31E BH- 549 FSL 661 FWL SWSW(W) " " "		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	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Spud, set casing & cement
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleate 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 recompleation 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.)

Spud 14-3/4" hole 1/22/11, drill to 690', RIH & set 11-3/4" 42# H40 STC csg @ 690', cmt w/ 570sx (137bbl) PPC w/ additives, circ 104sx (25bbl) cmt to surface. WOC, Test BOP's @ 250# low, 1386# high.

Drill 10-5/8" hole to 3990', while drilling encountered H2S. See attached for detail. RIH w/ 8-5/8 csg 32# J-55 LTC & set @ 3990', cmt w/ 880sx (299bbl) PPC followed by 200sx (48bbl) PPC all w/ additives, circ 241sx (82bbl) cmt to surf, WOC, Test BOP's @ 250# low, 5000# high..

Drill 7-7/8" hole to 8743'M 8070'V. RIH w/ 5-1/2" 17# J55 LTC csg @ 8743' w/ DVT @ 5991', POST @ 4046'. Cmt 1st stage w/ 580sx (166bbl) Super H, circ 199sx (30bbl) cmt to surf. Cmt 2nd stage w/ 580sx (166bbl) Super H, circ 234sx (67bbl) cmt to surf. Cmt 3rd stage w/ 400sx (146bbl) PPC followed by 150sx (36bbl) PPC all w/ additives, circ 167sx (61bbl) cmt to surf. Rel Rig 2/12/11.

Accepted for record - NMOC

DD

NSL-6248

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David Stewart	Title Sr. Regulatory Analyst
<i>David Stewart</i>	Date 2/24/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
	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.

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.

SUBSEQUENT REPORT
LOST TANK 3 FEDERAL # 19
API: 30-015-37952
DESCRIPTION OF OPERATIONS
H2S EVENT WHILE DRILLING INTERMEDIATE SECTION

H&P 346 was drilling the 10 5/8" intermediate section on 01/29/2011 . After a survey tool change while tripping in the hole at 3146' H2S was encountered.

At 00:00 on 01/29/2011 While running in the hole at 3146' the H2S alarms went off. At this point the proper procedure was deployed. Well was shut in, and personnel evacuated to previously discussed muster area. Oxy HES specialist, and Indian Safety representative were contacted.

At 02:00 Indian Safety rep arrived to location and found sensor #7 on active pit to be the resource of the alarm, and validated alarms. Concentration recorded at 35 ppm H2S

At 04:00 Cascade trailer started to be rigged up .Safety man was masked up, as well as the driller, and derrick hand. Observed SICP being 0 psi.

At 06:30 Opened and circulated 1 bottoms up with no 71 ppm of H2S. BLM was notified about H2S being present on location.

At 10:00 Finish performing a 2nd bottoms up with 10.2 ppg mud No H2S readings..
Performed all clear to resume operations