Form 3160-5
(April 2004)

OCD Artesia

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

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.*

5. Lease Serial No.
NMNM105557

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Goodnight 27 Federal #5H

2. Name of Operator **OXY USA Inc.** **16696**

9. API Well No.
30-015-39431

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

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

10. Field and Pool, or Exploratory Area
Harroun Ranch Delaware, NE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

S - 906 FSL 459 FWL SWSW (M) Sec 27 T23S R29E
BH - 400 FNL 660 FWL NWNW(D)

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			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **Completion**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

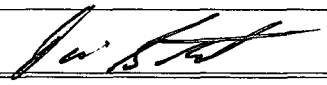
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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 recompletion 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 site is ready for final inspection.)

See Attached

Accepted for record
NMOCD
12/13/2012

RECEIVED
DEC 12 2012
NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
David Stewart Title **Regulatory Advisor**

Signature  Date 11/6/12

APPROVED
DEC 10 2012
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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, 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.

(Instructions on page 2)

Well Name : **Goodnight 27 Federal #5H**
API#: **30-015-39431**
Location: **S - 906 FSL 459 FWL SWSW(M)**
BH-400 FNL 660 FWL NWNW(D)
Sec 27 T23S R29E
Eddy County, New Mexico

Casing Summary

SIZE	WEIGHT	GRADE	DEPTH	CMT VOL & Remarks
13 3/8"	48#	H-40-STC	290'	438sx (103bbl) - Circ 170sx (40bbl) cmt to surface
9 5/8"	40#	J-55-LTC	3031'	1110sx (374bbl) - Circ 322sx (108bbl) cmt to surface
5-1/2"	17#	L-80 LTC	10380' DVT- 5575' PST-3075'	1980sx (625bbl) Cement incomplete. TOC @ ~1200', No cement between DVT & Post

Perforations

3 1/8" TCP Guns, .43" EHD w/6 JSPF on 60 degree phasing.

Interval Name/ Depth (ft)	Shot Density (spf)	# of Perfs	Phase (DEG)	Hole Diam. (in)
Stage 1 – Brushy Canyon / 10250 – 10252	6	14	60	0.43
Stage 1 - Brushy Canyon / 9890 – 9892	6	13	60	0.43
Stage 1 - Brushy Canyon / 9530 – 9532	6	12	60	0.43
Stage 2 - Brushy Canyon / 9170 – 9172	6	14	60	0.43
Stage 2 - Brushy Canyon / 8810 – 8812	6	13	60	0.43
Stage 2 - Brushy Canyon / 8450 – 8452	6	12	60	0.43
Stage 3 - Brushy Canyon / 8090 – 8092	6	14	60	0.43
Stage 3 - Brushy Canyon / 7730 – 7732	6	13	60	0.43
Stage 3 - Brushy Canyon / 7370 – 7372	6	12	60	0.43

PROPOSED PROCEDURE

NOTE: Please read the following program carefully as there are steps that have been included in bold that are unique to this well. The RMT group spoke with BLM representatives (Wesley Ingram and Chris Walls) on 11/01/2012 and agreed to the below program for completing the Goodnight #27-5 well. BLM advised that no witness was required during the pressure testing stages, however chart recording must be maintained and submitted if requested in the future.

NOTE 2: PLEASE CALL THE PUMPER TO INFORM THEM OF YOUR WORK ON THE WELL 48 HOURS PRIOR TO THE JOB, OR AS SOON AS POSSIBLE.

NOTE 3: MAKE SURE TO KEEP CASING OPEN WHILE RUNNING IN HOLE WITH CT GUNS

WARNING: A POISONOUS GAS - HYDROGEN SULFIDE (H2S) - 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 H2S SAFETY PRIOR TO WORKING ON THIS WELL. CHECK WITH FOREMAN CONCERNING LOCAL CONDITIONS.

1. Check location for hazardous conditions. MIRU CTU. Ensure the well is dead. NU frac stack.

2. RU 2" CTU & PU 2.88" motor w/ 4-5/8" mill. Total BHA to be less than 26' based on basic lock up calculations. RIH and clean out the lateral to PBTD @ **10,300ft**, and circulate the well with inhibited water. POOH and LD motor. RD CTU.

3. RU HLB WLU. Run GR-CBL using wireline & log from 7000' (or as low as possible) to surface w/ 1000 psi on the casing. MAKE 1ST PASS OF ~ 500' FROM *7000'* W/ 0 PSI ON CASING **TIE INTO MWD GR RUN W/ LWD TOOLS**. Check the line tension every 100' from *6100'* to *7000'*, to make sure we can get to *7000'*. If necessary, log from as deep as possible. LOG GOING IN HOLE & ATTEMPT TO LOCATE & CALIBRATE CBL IN FREE PIPE.

4. **Set up a recording chart and perform a Braden Head pressure test of the 9-5/8" x 5-1/2" annulus. Pressure up to 500psi for 30min, then pressure to 1000psi for 30min. If unsuccessful rig down tools and advise the RMT group.**

5. **Maintain 100psi on the annulus and continue chart monitoring through the entire frac program.**

6. **Test casing and wellhead to 5420psi. (70% of the casing burst pressure as per the BLM regulations. Test pressure should be greater than anticipated frac pressure based upon offset well (Goodnight #27-4 ~4800psi) frac pressures.)**

   5.5" 17# L-80 LTC CSG @ 10,372' W/ TOC @ ~1200'
   ID = 4.892" - DID = 4.767" - BURST = 7740 PSI - COLLAPSE = 6290 PSI

   Note: *BLM REGS FOR CASING TESTS: 0.22 PSI/ FT OF DEPTH W/ MINIMUM OF 1500 PSI NOT TO EXCEED 70% OF BURST – PRESSURE LOSS GREATER THAN 10% IN 30 MINUTES REQUIRES CORRECTIVE ACTION - CHART NOT REQUIRED – PRESSURE, TIME, & RESULTS TO BE REPORTED ON DAILY REPORTS.*

7. RU CTU. PU & RIH w/ TCP guns to perf first frac stage per above schedule.

   Note: If operation requires changing depth of Flow-thru plugs or perforating schedule, take into account the nearest collar depth reported in the final casing running tally – attached.

8. Perforate first stage per attached procedure. Arm guns & break down perfs w/ treated water. POOH and check guns.

9. RD CTU. **Set maximum pressure at 5420psi**. Frac Stage # 1 as per attached vendor procedure.

10. RU WLU. PU guns and 5-1/2" CBP, RIH and set CBP at **9350'**. Tst plug to **5420psi**. Perf stage 2 per the above perf schedule. POOH, check guns, and LD. RDMO WLU.

11. Frac Stage # 2 as per attached vendor procedure.

12. RU WLU. PU guns and 5-1/2" CBP, RIH and set CBP at **8270'**. Tst plug to **5420psi**. Perf stage 3 per the above perf schedule. POOH, check guns, and LD. RDMO WLU.

13. Frac Stage # 3 as per attached vendor procedure.

14. Kill well with brine. ND frac stack. NU wellhead.

15. RU CTU. PU 2.88" motor w/ 4-5/8" mill. Drill out and clean the Flow – thru plugs at **8270'** and **9350'** per attached Best Practices procedure for cleaning. Be sure all recommendations in the Best Practices Procedure are implemented.

16. Continue cleaning to the top of float collar at 10,300 ft. POOH w/ workstring and LD.

17. **RU WLU. RIH w/ 5-1/2" RBP and set @ 7350'. Test the 5-1/2" production casing to a CHP of 500psi, then 1000psi, holding for 30min each.**

18. **Redo the Braden Head pressure test of the 9-5/8" x 5-1/2" annulus. Pressure up to 500psi for 30min, then pressure to 1000psi for 30min. Ensure test is monitored on the recording chart. If unsuccessful rig down tools and advise the RMT group.**

19. PU and RIH with 2-7/8" 6.5# N-80 EUE tubing and ESP as per lift specialist design. Set ESP as deep as possible in the well (+/- *6000* ft).

20. Flow back well through test manifold and separator as directed. Flow well to unload the water from Frac job. Initially, let the well flow at high rate. Once it starts producing oil, gradually reduce the rate to maximum 750 bfpd and 1000 Mscf/d.

21. Flow test and clean up to the battery. Choke back the well to control production to maximum 750 bfpd and 1000 mcfd.

22. Demobilise flowback crew and direct produced fluids to production battery ASAP to keep flowback costs to a minimum.