

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM18038
2. Name of Operator LATIGO PETROLEUM INCORPORATED Contact: DAVID STEWART Email: david_stewart@oxy.com		6. If Indian, Allottee or Tribe Name
3a. Address MIDLAND, TX 79702-7340	3b. Phone No. (include area code) Ph: 432-685-5717 Fx: 432-685-5742	7. If Unit or CA/Agreement, Name and/or No. SCR443
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T23S R28E SENW		8. Well Name and No. LOVING FED COM 1
		9. API Well No. 30-015-24333-00-S1
		10. Field and Pool, or Exploratory N. LOVING CASS DRAW' WLC (GAS)
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 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 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.)

OXY USA Inc. respectfully requests to plugback and recompleat this well in the Wolfcamp. See below for the proposed procedure.

1. MIRU'WO rig. ND WH and NU BOP.
2. POOH w/ tbg and LD.
3. Plug well out of hole per regulatory procedure:
PU work string and RIH with CIBP and set at 11195' w/ 25sx cmt.
RIH and spot 25sx cmt-plug from 10600-10395', WOC-Tag
RIH and spot 45sx cmt plug from 10033-9833', WOC-Tag
4. RU WL and run CBL from PBTD to surface.
5. RIH w/ casing perforating guns and perforate from 9565-9555'. RD WLU.
6. PU 3.5" frac string and packer to 9500'.

Accepted for record
NMOCD TOSSEE ATTACHED FOR
CONDITIONS OF APPROVALNM OIL CONSERVATION
ARTESIA DISTRICT

JUL 31 2014

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #248670 verified by the BLM Well Information System
For LATIGO PETROLEUM INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by CATHY QUEEN on 06/10/2014 (14CQ03855)

Name (Printed/Typed) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 06/06/2014

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

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

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #248670 that would not fit on the form

32. Additional remarks, continued

7. Pressure test csg/tbg annulus to 1000# and hold during frac treatment.

8. NU frac stack on top of BOP.

9. RU Frac Core and frac well per frac procedure.

10. RD Frac Core. ND frac stack.

11. POOH w/ frac string and packer and LD.

12. PU tbg, RIH and circulate clean to PBTD.

If well takes fluid use foam unit w/nitrogen to clean out well to PBTD

13. POOH w/ tubing.

14. PU pkr BHA w/plug in profile nipple, RIH with tbg and set pkr at 9500'.

Re-entry guide w/1.87" R-nipple

Packer

On/off tool w/2.25" R-nipple

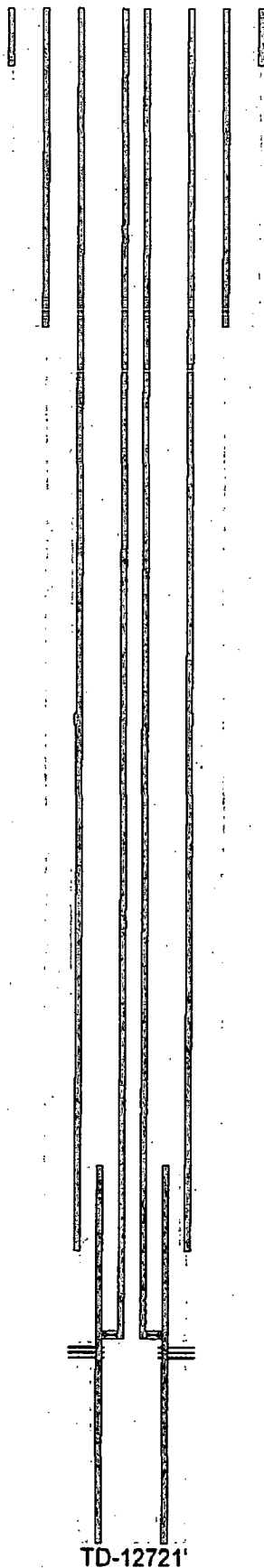
2-7/8" tbg to surface

15. RU slick line to retrieve plug. RD slick line and WO rig.

16. If well doesn't flow naturally, RU swab unit and begin swabbing the well down. RD swab unit.

17. RITP and report results to engineer.

District I
1625 N. French
Phone: (575) 2-
District II SA Inc. - Current
811 S. E.
Living Federal #1
API No. 30-015-24333



26" hole @ 402'
20" csg @ 402'
w/ 800sx-TOC-Surf-Circ

14-3/4" hole @ 2700'
10-3/4" csg @ 2700'
w/ 1600sx-TOC-Surf-Circ

9-1/2" hole @ 10500'
7-5/8" csg @ 10500'
DVT @ 5982'
w/ 2300sx-TOC-3350'-TS

2-3/8" tbg & pkr @ 11386'

Perfs @ 11458-11540'

6-1/8" hole @ 12721'
5" liner @ 9983-12716'
w/ 475sx-TOC-9983'-Circ

PB-12641'

TD-12721'

OXY USA Inc. - Proposed
Loving Federal #1
API No. 30-015-24333

26" hole @ 402'
20" csg @ 402'
w/ 800sx-TOC-Surf-Circ

14-3/4" hole @ 2700'
10-3/4" csg @ 2700'
w/ 1600sx-TOC-Surf-Circ

Perf @ 9555-9565'

9-1/2" hole @ 10500'
7-5/8" csg @ 10500'
DVT @ 5982'
w/ 2300sx-TOC-3350'-TS

Perfs @ 11458-11540'

6-1/8" hole @ 12721'
5" liner @ 9983-12716'
w/ 475sx-TOC-9983'-Circ

PB-12641'

TD-12721'

45sx @ 10033-9833' WOC-Tag

25sx @ 10600-10395' WOC-Tag

CIBP @ 11408' w/ 25sx to 11195'

Loving Fed Com 1
30-015-24333
Latigo Petroleum Incorporate
July 22, 2014
Conditions of Approval

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

Work to be completed by October 22, 2014.

- 1. Step 3: Operator shall set CIBP at 11,408' and place 25 sx Class H Cement on top. WOC and tag. The other two balanced plugs are approved as written.**
- 2. Submit results of CBL to BLM.**
- 3. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**
- 4. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 5. Surface disturbance beyond the originally approved pad must have prior approval.**
- 6. Closed loop system required.**
- 7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 8. Operator to have H2S monitoring equipment on location.**
- 9. A minimum of a 5000 (5M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (5M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**

10. Subsequent sundry required detailing work done, a C-102 form, and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.

11. See attached for general requirements.

JAM 072214

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

General Requirements for Plug Backs

- Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement.

Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out; the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.