

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMNM0473362

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
SW633

8. Well Name and No.
DERO FED COMM 2

9. API Well No.
30-015-20973-00-S2

10. Field and Pool, or Exploratory
OLD MILLMAN RANCH

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
OXY USA INCORPORATED
Contact: JESSICA SHELTON
E-Mail: jessica_shelton@oxy.com

3a. Address
5 GREENWAY PLAZA STE 110
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)
Ph: 713-840-3011

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 35 T19S R28E SESW 660FSL 1980FWL

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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input checked="" type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

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 site is ready for final inspection.)

? Obtained BLM approval on 11/06/2013.
 ? Move and RU Pulling Unit on 11/27/2013
 ? Back Off and POH LD 4-1/2 in casing at 3,550 ft.
 ? RIH new 4-1/2 in 11.6 #/ft, N-80 casing screwing at 3,550 ft. Tested to 500 psi okay.
 ? Perforate 1 sqz hole in 4-1/2 in casing at 6,800 ft. Pumped down casing to 500 psi trying to establish circulation out 8-5/8 in braden head without success. Set packer at 6,730 ft trying to get circulation through 8-5/8 in braden head without success. Added 4 more sqz holes at 6,800 ft obtaining same results.
 ? Set cement retainer at 6,600 ft. Pump 575 sx Lead cmt (EconoCem HLC 12.4 ppg, 1.98 yield, 175 sx Class H, 14.2 ppg, 1.26 yield. Displace cement. Shut down and had 742 psi holding. Sting out of retainer and reversed out. Never obtained returns through 8-5/8 in braden head.
 ? Drill out retainer at 6,600 ft and cleaned to 6,820 ft. Test to 500 psi okay. Cleaned to 8,757

Accepted for record
LD NMDCDS-19-14

NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 13 2014
RECEIVED

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

Electronic Submission #241541 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by LINDA DENNISTON on 05/02/2014 (13JLD1074SE)

Name (Printed/Typed) JESSICA SHELTON Title REGULATORY TECHNICIAN

Signature (Electronic Submission) Date 04/08/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED** Title JAMES A AMOS SUPERVISOR EPS Date 08/08/2014

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 Carlsbad

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.

Additional data for EC transaction #241541 that would not fit on the form

32. Additional remarks, continued

ft.

? Run CBL/GR/CCL from 8,749 ft to surface. Found TOC at 6,575 ft.

? Perforate 4 sqz holes at 6,555 ft, Set RBP at 6,630 ft and packer at 6,520 ft. Pumped to 2000 psi and 2.9 bpm without obtain returns up 8-5/8 in casing. Set retainer at 6,515 ft. Pump 150 sx Class C cement at 14.8 ppg, 1.32 yield. Hesitate last 3 bbls of cement. Pressure holding at 1200 psi. Sting out of Ret & Rev Circ.

? Drill out retainer at 6,515 ft. Tested sqz holes to 500 psi for 30 minutes okay.

? Run CBL/GR/CCL from 6,576 ft to surface. Found TOC at 5,818 ft.

? Fish out RBP at 6,630 ft.

? Attempt MIT to 800 psi but failed. Lost 400 psi in 15 minutes.

? Set packer at 6,630 ft. Test casing from 6,630 ft to surface to 800 psi okay. Tested casing from 6,630 ft down leaked (sqz holes at 6,800 ft are leaking).

? Set CIBP at 6,785 ft. Dump 10 ft of cement.

? Performed MIT to 850 psi okay.

? Perforate Bone Spring as follows: 6,557 ft; 6,568 ft; 6,589 ft; 6,595 ft; 6,614 ft; 6,619 ft; 6,645 ft; 6,651 ft; 6,658 ft; 6,679 ft; 6,685 ft; 6,702 ft; 6,708 ft; 6,722 ft; 6,727 ft; 6,735 ft; 6,740 ft; 6,743 ft; 6,759 ft and 6,772 ft. With 3-1/8 in Titan ? 0.42 in EH, 35.1 in Pen, 1 SPF. Total of 20 Holes.

? RIH straddle packer and broke with acid each perforation.

? RU Halliburton and performed a single stage frac in Bone Spring perms interval 6,557 ft-6,772 ft (20 holes). Established Rate at 13.4 bpm and 924 psi. Pumped 2,000 gals 15% acid at 16.3 bpm and 1,228 psi. Pump Pads and started sand got the 1 ppg, 2 ppg, 3 ppg, started on 4 ppg and sand pressure rise, went to flush. Pumped 18 bbls and pumps kicked out on pressure. Tried several times to get back in to it with no success. We got a total of 96,309 lbs of 16/30 sand into formation and 91,828 glns PermStim LT 30# crosslink. Max treating pressure: 4,000 psi, average treating pressure: 2,719 psi, max rate: 40.9 bpm and average rate: 40 bpm, Load to recover 2,186 bbls. Rig Down Frac crew.

? Clean well to 6,050 ft.

? Set RBP at 5,850 ft.

? Perforate 4 sqz holes at 5,750 ft. Set packer at 5,700 ft. Broke down perms at 1,500 psi at 2 bpm. Pumped 50 Bbls with no signs of trying to come through 8-5/8 in braden head.

? Set retainer 5,688 ft. Pumped 500 gals 15% Acid at 3.5 bpm and 2,000 psi. Pump 20 Bbls water spacer. Then pumped 800 sx Lead cement Class C 50/50+0.5%FL-16+0.1%CD-35+0.25%AF-41P+10%Bentonite, 11.8 ppg and 2.30 yield. Followed by 150 Sx Class C+0.25%AF-41P at 14.8 ppg and 1.33 yield. Pumped all cement and displace 5 bbls short of retainer. Shut down with 390 psi on tubing. Hesitated sqz with 4 Bbls cement. Had a shut in pressure of 800 psi. Sting out of retainer and reversed out to pit. Never obtained returns through 8-5/8? braden head. POH.

? Ran CBL/GR/CCL from 5,682? to surface.

? Mill retainer at 5,688? and clean out to 5,789?. Test casing to 600 psi. Clean to 5,850?

? Retrieve RBP at 5,850? and reset RBP at 4,160?. Tested casing to 600 psi okay.

? Perforate 4 sqz holes at 4,100?. Pumped 100 Bbls of water at 450 psi and 3 bpm obtaining 90% returns up 8-5/8? braden head.

DERO FEDERAL COM #002

Period: 11/27/2013 – 02/05/2014

- **Obtained BLM approval on 11/06/2013.**
- Move and RU Pulling Unit on 11/27/2013
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- Set cement retainer at 6,600 ft. Pump 575 sx Lead cmt (EconoCem HLC 12.4 ppg, 1.98 yield, 175 sx Class H, 14.2 ppg, 1.26 yield. Displace cement. Shut down and had 742 psi holding. Sting out of retainer and reversed out. Never obtained returns through 8-5/8 in braden head.
- Drill out retainer at 6,600 ft and cleaned to 6,820 ft. Test to 500 psi okay. Cleaned to 8,757 ft.
- Run CBL/GR/CCL from 8,749 ft to surface. **Found TOC at 6,575 ft.**
- **Perforate 4 sqz holes at 6,555 ft,** Set RBP at 6,630 ft and packer at 6,520 ft. Pumped to 2000 psi and 2.9 bpm without obtain returns up 8-5/8 in casing. Set retainer at 6,515 ft. Pump 150 sx Class C cement at 14.8 ppg, 1.32 yield. Hesitate last 3 bbls of cement. Pressure holding at 1200 psi. Sting out of Ret & Rev Circ.
- Drill out retainer at 6,515 ft. Tested sqz holes to 500 psi for 30 minutes okay.
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- Fish out RBP at 6,630 ft.
- Attempt MIT to 800 psi but failed. Lost 400 psi in 15 minutes.
- Set packer at 6,630 ft. Test casing from 6,630 ft to surface to 800 psi okay. Tested casing from 6,630 ft down leaked (sqz holes at 6,800 ft are leaking).
- **Set CIBP at 6,785 ft. Dump 10 ft of cement.**
- **Performed MIT to 850 psi okay.**
- Perforate Bone Spring as follows: 6,557 ft; 6,568 ft; 6,589 ft; 6,595 ft; 6,614 ft; 6,619 ft; 6,645 ft; 6,651 ft; 6,658 ft; 6,679 ft; 6,685 ft; 6,702 ft; 6,708 ft; 6,722 ft; 6,727 ft; 6,735 ft; 6,740 ft; 6,743 ft; 6,759 ft and 6,772 ft. With 3-1/8 in Titan – 0.42 in EH, 35.1 in Pen, 1 SPF. Total of 20 Holes.
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- Ran CBL/GR/CCL from 5,682' to surface.
- Mill retainer at 5,688' and clean out to 5,789'. Test casing to 600 psi. Clean to 5,850'
- Retrieve RBP at 5,850' and reset RBP at 4,160'. Tested casing to 600 psi okay.
- **Perforate 4 sqz holes at 4,100'.** Pumped 100 Bbls of water at 450 psi and 3 bpm obtaining 90% returns up 8-5/8" braden head.
- Set retainer at 4,028'. Pump 10 Bbls fresh water Spacer. Broke circulation out of the braden Head. Pump 950 sx Class C Neat 14.8 ppg, 1.33 yield cement. Had good water returns during the cement squeeze but never returned cement through the 8-5/8" braden head. Shut down with 1,350 psi on tubing.
- Run Temperature Survey from 4,000' to surface. **Found TOC at 360'.** RD Wireline.
- Mill retainer at 4,028' and clean to 4,102'. Test casing to 600 psi okay.
- Retrieve RBP at 4,160'.
- RIH bit and tag sand at 6,005'. Clean to 6,790'.
- RIH 2-3/8" production tubing to 6,819'. Ran rod pump and rod string. Tested pump good action. Rig down Pulling Unit and turn well over to Production.

