

MAY 29 2015

Form 3160-5 (August 2007)

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.

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5. Lease Serial No. NMNM0375257

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No. AVALON FEDERAL 2

9. API Well No. 30-015-21491

10. Field and Pool, or Exploratory BURTON-FLAT MORROW

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 INC. Contact: DAVID STEWART E-Mail: david_stewart@oxy.com

3a. Address P.O. BOX 50250 MIDLAND, TX 79710 3b. Phone No. (include area code) Ph: 432-685-5717 Fax: 432-685-5742

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T21S R27E NWSE 1980FSL 1980FEL 32.478140 N Lat, 104.227030 W Lon

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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 recomplate 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.)

4/14/15 MIRU PU, ND WH, NU BOP, Notify Jim Amos-BLM. Unload tbg.

4/15/15 Circ hole w/ 10# BW, RIH w/ muleshoe, tag parted csg @ 2882', work thru, continue in hole & tag up @ 7959'.

4/16/15 RIH & tag TOF @ 10896', SI WO orders

4/20/15 Contact Jim Amos-BLM, rec approval to spot 1st plug on TOF @ 10896'. Circ wellbore w/ 10# MLF, M&P 30sx CI H cmt @ 10896-10615', PUH, WOC.

4/21/15 RIH & tag cmt @ 10602', Robert Girndt-BLM, on location. PUH to 10527', circ hole w/ 10# MLF, M&P 30sx CI H cmt @ 10527-10256', PUH, WOC. RIH & tag cmt @ 10271', Terry Wilson-BLM on

NM OIL CONSERVATION ARTESIA DISTRICT

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CRD Accepted for record 6/23/15

14. I hereby certify that the foregoing is true and correct. Electronic Submission #302862 verified by the BLM Well Information System For OXY USA INC., sent to the Carlsbad. Name (Printed/Typed) DAVID STEWART Title SR. REGULATORY ADVISOR Signature (Electronic Submission) Date 05/26/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE

Pending BLM approvals will subsequently be reviewed and scanned

Approved By Title 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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional data for EC transaction #302862 that would not fit on the form

32. Additional remarks, continued

location, M&P 30sx CI H cmt @ 10090-9819', PUH, WOC.

4/22/15 RIH & tag cmt @ 9810', PUH to 9613', M&P 30sx CL H cmt @ 9613-9342', PUH, WOC. RIH & tag cmt @ 9341', Robert Girndt-BLM on location. POOH w/ tbg to 3166'.

4/23/15 ND BOP, NUWH, RD plugging equipment, w/o pulling unit to finish plugging job.

5/5/15 MIRU PU, ND B-1 Adap, NU BOP, Notify Jim Amos-BLM.

5/6/15 RIH w/ mill, drill collars, tbg, work though bad spot @ 2882', RIH to 8749'.

5/7/15 POOH & LD drill collars & mill, RIH w/ pkr & set @ 5255', BOT @ 8238', pressure test csg @ 5255-9341' (last plug) to 500#, tested good.

5/12/15 RIH w/ tbg & pkr to 8617', Rec appr-Jim Amos to spot plug instead of perf. M&P 10# MLF, PUH to 8743', M&P 40sx CL H cmt, PUH, WOC.

5/13/15 RIH & tag cmt @ 8269', PUH to 6339', pkr @ 3386'. RIH w/ WL & perf @ 6795', EIR, M&P 50sx CL H cmt w/ full returns up 9-5/8" X 5-1/2", WOC.

5/14/15 Attempt to release pkr, stuck. RIH w/ WL & tag EOT @ 6330', PUH & perf 2 holes above pkr @ 3364', EIR @ .75 BPM @ 1350# w/ no circulation. Work pkr & tbg to 110000#, would not release. RIH w/ free point, tbg 100% free @ 5000', 100% stuck @ 5150'. RIH & cut tbg @ 5000', rel pkr & POOH. RIH & perf csg @ 4890', RIH & set pkr @ 4435', EIR @ 2BPM @ 0# w/ full returns, M&P 50sx CL C cmt, PUH, WOC.

5/15/15 RIH & tag cmt @ 4600', POOH w/ tbg.

5/18/15 ND BOP, ND A sec WH, PU csg spear, on csg @ 140000#, csg pulled free. NU WH, NU BOP, RU csg tools.

5/19/15 POOH w/ 77 jts 5-1/2" 17-20# N-80 csg. RD csg tools, RIH w/ tbg to inside csg stub @ 2875' to 1942'.

5/20/15 RIH w/ tbg to 2943', circ 10# MLF, M&P 130sx CI C cmt w/ 2% CaCl₂, POOH, WOC. RIH & tag cmt @ 2600'. PUH to 1148', M&P 50sx CL C cmt w/ 2% CaCl₂, POOH, WOC.

5/21/15 RIH & tag cmt @ 988', PUH to 670', M&P 230sx CL C cmt, circ to surface. RD BOP & top spool of WH, top off csg w/ cmt, RDPU.