

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION
ARTESIA DISTRICT

OCD-ARTESIA
FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

OCT 11 2016

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.

RECEIVED

5. Lease Serial No. NMMN12845 ✓
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. FEDERAL 13 ✓
9. API Well No. 30-015-26829-00-S1 ✓
10. Field and Pool, or Exploratory LOST TANK
11. County or Parish, and State EDDY COUNTY, NM

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	2. Name of Operator OXY USA INCORPORATED ✓	Contact: DAVID STEWART E-Mail: david_stewart@oxy.com
3a. Address 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521	3b. Phone No. (include area code) Ph: 432.685.5717	

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T22S R31E NESE 2310FSL 990FEL ✓

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 checked="" 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 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.)

TD-8555' PBDT-8516' Perfs-7121-7139'

OXY USA Inc respectfully requests to temporarily abandon this well. It is currently being evaluated for possible conversion to a SWD well.

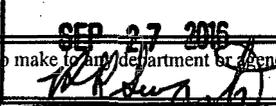
1. POOH w/ prod equipment, RIH & set CIBP @ +/-7071'
2. Notify BLM/NMOCD of casing integrity test 24hrs in advance.
3. RU pump truck, circulate well with treated water, pressure test casing to 500# for 30 min.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**SUBJECT TO LIKE
APPROVAL BY STATE**

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #339690 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 05/24/2016 (16PP1195SE)	
Name (Printed/Typed) DAVID STEWART	Title REGULATORY ADVISOR
Signature (Electronic Submission)	Date 05/19/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	APPROVED SEP 27 2016 	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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED**
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Conditions of Approval
Oxy USA Incorporated
Federal - 03, API 3001526829
T22S-R31E, Sec 01, 2310FSL & 990FEL
September 27, 2016

- 1. Operator is to have the BLM approved NOI procedure with applicable conditions of approval on location for this workover operation.**
- 2. Set a Class "H" cement plug from the PBTB of 8516 to cover the Bone Spring formation top of 8450 to 8310 or above. Tag the plug with tubing.**

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3 4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) BLM Status Approval Requires:

1. A Notice of Intent (NOI) Sundry (Form 3160-5) requesting approval to prepare the wellbore for a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A subsequent sundry report that describes compliance with:
 - a. All downhole production artificial lift equipment (tubing, rods, etc.) removed from the casing. A wellbore with a packer set just above producing or injection perforations with annulus integrity above the packer, and loaded with corrosion inhibiting fluid may be considered for TA status by passing a Mechanical Integrity Test.
 - b. The wellbore below all potential production is to be plugged back per permanent plugging procedures. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. A CIBP set above the top perforations to be permanently abandoned is to be capped with a minimum of 25 sacks cement and placed with tubing, or if the perforations are to be reopened 35 feet of cement may be bailed on the CIBP.
 - c. The wellbore filled with corrosion inhibited fluid.
 - d. At least 24 hours prior to conducting the Mechanical Integrity Test, contact the appropriate BLM office. Eddy County call Carlsbad 575-361-2822. Lea County call Hobbs 575-393-3612.
 - e. Documentation of a 500psig minimum BLM witnessed Mechanical Integrity Test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 75 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test. Pressure leakoff will be evaluated site specifically and affect approvals.

3. Submit a Subsequent Sundry Notice (Form 3160-5) requesting TA approval with a description of the preparation for temporary abandonment approval, a clear copy or the original Mechanical Integrity Test chart, a current wellbore diagram, and justification describing a substantial reason for the request, the expected wellbore use, and the estimated date the well will be returned to beneficial use.
4. This BLM TA NOI Approval is for WELLBORE PREPARATION ONLY. BLM IS NOT APPROVING TA Status FOR THIS WELL. If warranted, TA approval status for a specified time limit will be noted with BLM acceptance of the subsequent report of preparations.
5. Workover approval is good for 90 days (completion to be within 90 days of approval).
6. Should Mechanical Integrity Test not prove wellbore integrity or not be conducted submit a procedure to repair or plug and abandon the well for BLM approval within 30 days of the MIT.

References: 43 CFR 3161.2, 43 CFR 3162.1(a), 43 CFR 3162.3-2, 43 CFR 3162.3-4, 43 CFR 3162.4-1, 43 CFR 3162.5, Onshore Oil and Gas Order #1.X., & Onshore Oil and Gas Order #2.III.G.

There are eleven federal estate wellbores and one with state surface with federal minerals completed in the Delaware Group of formations within a half mile of this well being considered as a WDW candidate by the operator. Communication between formations should be a concern for nearby producing wells. The disposal water will be from producing wells. The proposed well will need to be confirmed structurally sound for conversion purposes. See well summary spread sheet below. Potential horizontal lateral well completion conflicts have not been indicated. There has been no production reported since May of 2015 and at this time BLM acknowledges the well should be placed in a TA'd condition for a reasonable period.

Operator: Oxy USA Incorporated

Well: FEDERAL 1-3

300 ... API: 3001526829

Legal Surface Loc: T22S-R31E,01.2310S990E

@ Measured T.D.: T22S-R31E,01.2310S990E

Surface Lease: NM12845

Estate - Sfc/Mnrls/Lse: F\F\F

Com Agreement No.:

Unit Agreement No.:

WDW Right of Way No.:

C-108 BLM Index Tag #:

BLM Review Date: 09/27/2016

NMOCD Form C-108 Date:

Administrative Order(s) - Date:

Formation, Depth, Pressure:

Generic Frac Gradient: 0.2 x top injection depth = initial regulated production water disposal pressure.

An approved Step Rate Test may allow a change to the wellhead injection psig (kept below fracture psig).

Well#	API#	Estate	SPUD	Date	Status	Plugged	YTD	7/138 6/921	If Known, Prod Csg Cmt Top	± Direction from WDW Wellhead	± Dist from WDW Wellhead	± Horz Short Dist to Lateral	top P Wtr Inj ± Slope Dist	btm P Wtr Inj ± Slope Dist	Evaluate disposal formation isolation from existing and potential productive formations. Confirm casing cement tops of existing wells that penetrate the proposed disposal interval are a minimum of 200ft above that interval. Consider and insure adequate isolation of vertical and calculated short distances from the proposed disposal entry to wells whose surface/bottom hole location is within the one half mile buffer. R-111-P. circ.cmt on 3 cgs. Prairie Chickens: March1-June15, 9am-3am.
1	1526829	F\F\F	3/18/92	3/18/92	SIW/OA		8555								
2	1526828	F\F\F	1/10/92	1/10/92	Oil		8530	2180	W- 990						
2	1526849	F\F\F	10/10/91	10/10/91	Oil		8532		N- 1010						
1	1526774	F\F\F	7/1/91	7/1/91	Oil		8461		N37°W- 1666						
1	2531227	F\F\F	4/26/91	4/26/91	SWD		8600		S79°E- 1683						
7	1526988	F\F\F	5/16/92	5/16/92	Oil		8530		S45°W- 1867						
2	2531400	F\F\F			XAPD				N45°E- 1881						
1	1526775	F\F\F	11/15/91	11/15/91	TA		8480		W- 2330						
2	1526786	F\F\F	7/18/91	7/18/91	Ap-P&A		8560		N9°E- 2353						
1	1526698	F\F\F	4/2/91	4/2/91	Oil		8500		N24°W- 2532						
2	1526830	S\F\S	9/26/91	9/26/91	Oil		8425		N67°W- 2539						
1	2531403	F\F\F	4/29/94	4/29/94	P&A		8600		N32°E- 2557						
6	1526910	F\F\F	3/11/92	3/11/92	Oil		8520	2415	S62°W- 2765						

036 T 215 R 31 E

T 215 R 32 E

031

26831

26815

26798

26786

26403

26855

26830

26774

26849

26400

26843

T 225 R 31 E
001

26775

26818



26829

26777

T 225 R 32 E
005

26858

26909

26910

26988

26810

26942

26955

012

007

Operator: Oxy USA Incorporated
Surface Lease: NM12845

Case No: NM12845

Subsurface Concerns for Casing Designs: R111P KFC

Well Status: Oil

Spud date: 3/18/1992

Plug'd Date:

Reentry Date:

BHL: NM12845
Lease Agreement

Well: FEDERAL 1-3
API: 3001526829
@ Srfce: T22S-R31E,01.2310s990e
@ M TD: T22S-R31E,01.2310s990e

Estate: F/F

CWDW, R of W: 0

Admn Order, date:

Frmtn, Depths, psig:

KB: #####
GL: 0
Corr: 0

