

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA RECEIVED

JUN 15 2010

FORM APPROVED  
OMB NO 1004-0135  
Expires: November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

NMOCD ARTESIA

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

☒ Oil Well ☐ Gas Well ☐ Other

## 2. Name of Operator

OXY USA Inc.

16696

## 3a. Address

P.O. Box 50250, Midland, TX 79710-0250

## 3b. Phone No. (include area code)

432-685-5717

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

1980 FNL 1650 FEL SWNE(G) Sec 29 T23S R31E

## 5. Lease Serial No.

NMM0281482A

## 6. If Indian, Allottee or Tribe Name

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

## 8. Well Name and No.

Mobil Federal #9

## 9. API Well No.

30-015-37339

## 10. Field and Pool, or Exploratory Area

Sand Dunes Delaware, West

## 11. County or Parish, State

Eddy NM

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

## TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

## TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Spud. Set

Casing &amp; Cement

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 final site is ready for final inspection.)

See attached

ACCEPTED FOR RECORD

JUN 13 2010

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

David Stewart

## Title

Sr. Regulatory Analyst

## Date

6/8/10

## 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, makes 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.

**Mobil Federal #9 – API No. 30-015-37339**

The Mobil Federal #9 was spud on 04/08/2010 at 23:30 hrs. 14-3/4" Surface hole was drilled to 428ft. Ran 11-3/4" 42# H-40 casing and set @ 428', cement per program w/ 350sx (84bbl) PP cmt @ 14.8ppg, 1.35 yield, circulated 166sx (40bbl) cement to surface. N/U and tested BOP and TIH with intermediate hole BHA. Tested surface casing, drill out shoe track, and performed FIT. Drilled 10-5/8" intermediate hole to 4055 ft Ran 8-5/8" 32# J-55 casing and set @ 4055', cement per program w/ 930sx HL PP cmt @ 12.9ppg, 1.88 yield followed by 200sx (48bbl) PP cmt, circulated 308sx (103bbl) cement to surface. N/U and tested BOP and TIH with production hole BHA. Tested intermediate casing, drill out shoe track, and performed FIT.

04/17/2010

Drilled 7-7/8" production hole from 7688' to 7702' pumping 20 bbls high vis sweeps every 200' for hole cleaning slight flow on connection. Lost complete returns at 7702' with 8.4 ppg MW.

Circulate 65 bbl, 35 ppb LCM pill around at 348 gpm, full returns while LCM pill going through bit, lost circulation after pill cleared bit.

Work pipe while mixing 50 bbl 80 ppb LCM pill, keeping backside full through trip tank, pumping 1 bbl down drill pipe every 15 minutes to ensure drillstring is clear.

Spot pill on bottom, trip out of hole 5 joints & allow hole to heal for 3 hrs. Trip in hole to 7702'

Drilled 7-7/8" production hole from 7702' to 7758' full returns no losses. Lost complete return again at 7758' with 8.4 ppg MW.

Continue drilling ahead.

Drilled 7-7/8" production hole from 7758' to 7896' with no returns.

Drilled 7-7/8" production hole from 7896' to 7921' called TD early due to low ROP, no returns. Note: bit quite drilling (drilled 6 inches 30 minutes); permitted TD was 8300 ft.

Contact BLM at 17:00 NM time – Mr. Wesley Ingram for verbal approval to alter plan and run POST tool at 5900 ft instead of DV tool due to total losses encountered while drilling.

Spot 50 bbls 80 ppb lcm pill at 7921' with 235 gpm 600 psi. Displace with 110 bbls fresh water with no returns - POOH to run production casing.

04/18/2010

POOH to run production casing.

NOTE: NOTIFIED MR. RICHARD CARRASCO WITH BLM AT 08:30 HRS OF RUNNING PRODUCTION CASING AND PERFORM CEMENT JOB.

Run 5 1/2", J55 17 # /ft production casing from surface to 3012' - circulate bottoms up at 9.0 bpm and 100 psi. no gas units on bottoms up, no losses.

Run 5 1/2" production casing from 3012' to 5414' - circulate bottoms up at 9.0 bpm and 250 psi losses at 12.0 bph.

Run 5 1/2" production casing from 5414' to 7493' - circulate bottoms up at 9.0 bpm and 275 psi losses at 12.0 bph.

Run 5 1/2" production casing from 7493' to bottom (7921') - reciprocate casing, circulate and condition mud at 8 bpm and 180 psi. 24 bph losses; circulate two bottoms up.

Pump cement 1st stage:

Test lines 250 low. 3000 high. 20 bbl fresh water / wg-19 gel spacer + 480 sks (138.5bbl) cement, 13.2 ppg, 1.62 yield, 7.87 gal/sk, at 6 bpm. reciprocated casing until we dropped plug. Dropped plug at 20:29 and displace with 60 bbls 8.4 ppg freshwater at 6.4 bpm with 116 psi, followed by 123 bbls mud at 6 bpm at 618 psi mud slow down to 3 bpm last 10 bbl. 618 psi final lift pressure; bumped plug at 21:05 hrs on 04/18/2010, with 1043 psi (425 psi over). Held 5 min. float holding. bled back 2.5 bbls note: returns slowly diminishing after cement turned corner bumped with 70% returns.

Drop bomb, allow 30 minutes to fall, pressure up & inflate bottom post tool at 0.5 bpm with 460 psi, continue to pressure up and open tool at 1.2 bpm with 2205 psi.

Circulate lower POST for 1/2 hr with Halliburton pump truck and an additional 4 hrs with rig pumps, full returns - no cement to surface, turn circulation over to rig pumps after pumping 250 bbls. Full returns - no losses / no gains (lower pack off stage tool 5920.94' - 5938.17').

NOTIFY RICHARD CARROSCO WITH BLM AT 22:55 HRS - GOT OK TO PROCEED WITH 2ND STAGE

04/19/2010

Flow check, well flowing 12 bph, displace well with 330 bbls 10.0 ppg brine at 8 bpm with 340 psi (per drilling procedure use brine to control flow in this interval before pumping 2nd stage). Lost returns with 330 bbls gone displace 10 ppg brine with 8.5 ppg fresh water 8 bpm, 500 psi established 20% returns 200 bbls into 8.4 displacement total 8.4 ppg 389 bbls pumped - did not see any 10 ppg brine back to surface

Perform 2nd stage cement job. Pump 20 bbls gel spacer wg-19 + 600 sks (173 bbl) cement, 13.2 ppg, 1.61 yield, 7.86 gal/sk, at 6.5 bpm, 350 psi. drop plug at 03:26 hrs displaced with 50 bbls 8.4 ppg fresh water, followed by 87.5 bbls 10.0 ppg brine at 6.5 bpm.

Bumped plug at 04:02 hrs to 275 psi up to 1800, to close post tool (at 5928'). Hold for 5 min - float holding - bled back 1.5 bbls.

Minimal returns while pumping cement, losing complete returns after turning the corner 137 bbls gone.

Drop bomb at 04:12 and let it gravitate for 22 min. Pressure up to 533 psi and inflate the packer and continue pumping to 1872 psi to open the tool; pump 3 bbls to clear tool.

Wait on cement, pump 1 bbl every 15 minutes to clear ports on POST; monitor returns on trip tank.

Filled back side with fresh water took 5.0 bbls to fill. circulate off post tool at 4104' at 6.0 bpm 130 psi. Did not circulate any spacer or cement off post tool.

NOTE: NOTIFIED MR. RICHARD CARROSCO WITH BLM AT 04:50 HRS DISCUSSED LOSING TOTAL RETURNS ON 2ND STAGE CEMENT JOB AND TOLD HIM OUR FORWARD PLAN HE SAID HE WOULD TALK TO HIS ENGINEER AND CALL US BACK IF THEY HAD ANY CONCERNS ABOUT FOWARD PLAN

CONFERENCE CALL WITH RIG, HOUSTON. MR. WESLEY INGRAM BLM CARLSBAD. DISCUSSED THIRD STAGE CEMENTING OPERATION. AGREED TO DISPLACE WELL WITH 10.0 PPG BRINE WATER TO TEST WELLBORE INTEGRITY.

Build / circulate 20 bbls 30 ppb LCM pill and displace well to top post tool at 4104' with 10.0 ppg brine water. (upper pack off stage tool 4104.19' - 4,113.42'). Partial losses after displacing with brine.

13:10 HRS CONFERENCE CALL WITH RIG. HOUSTON, MR. WESLEY INGRAM BLM CARLSBAD TO DISCUSS PLAN FORWARD.

Build 100 bbls of 30 ppb LCM pill, pump 90 bbls of 30 ppb LCM pill and displace with 98 bbls fresh water. Closed annular line up aux pump down backside attempt to pressure up formation to 700 psi. for 12.4 ppg EMW. Closed well in with annular, pumping through kill line down backside started out 1/4 bpm for 2 bbls pressure= 112 psi. Increased rate to 1/2 bpm pumped 4.4 bbls pressure 160 psi. Increased rate to 1 bpm pumped 1 bbl pressure = 196 psi. Continued pumping at 1 bpm pressure fell back to 185 psi. Pumped total 8.68 bbls. shut down pumping monitor pressure 5 minutes pressure bled back to 62 psi.

Squeezed remaining 10 bbls LCM at 1 bpm with 6.6 bbls pumped started injecting at 193 psi. Squeezed 10 bbls at 1 bpm 180-190 psi. Shut down monitor pressure 5 minutes pressure fell back to 138 psi after 15 min bled back to 60 psi.

Squeeze LCM pill at 1 bpm pumping 69 bbls,

10 bbls - 160 psi / 20 bbls - 225 psi / 30 bbls - 260 psi / 40 bbls - 315 psi / 50 bbls - 410 psi

60 bbls - 400 psi / 65 bbls - 550 psi / 69 bbls - 480 psi

Circulate bottoms up with 8.4 ppg to balance hole, wait on superflush 101 to arrive from Hobbs.

#### 04/19/2010

Pump spacer, flow check, cement slurry as follows, holding 400 psi back pressure at choke to keep cement from falling pump the following: 10 bbls calcium chloride / H2O 5 bbls / 12 bbls flow check / 10 bbls H2O

28 bbls cement slurry 100 sks halliburton light premium plus mixed at 13.5 ppg, 2.01 yield, 6.34 gal/sk, chase with 30 bbls H2O, shut well in & squeeze 65 bbls at 1.5 bpm

15 bbls - 400 psi / 20 bbls - 440 psi / 25 bbls - 480 psi / 30 bbls - 515 psi / 35 bbls - 440 psi /

40 bbls - 640 psi / 50 bbls - 880 psi / 60 bbls - 880 psi

shut down 5 minutes & hesitate the last 3 bbls, pressure falling off to 500 psi, shut down 15 minutes, pressure dropping to 200 psi

Open well & circulate bottoms up with halliburton, grey cement water back on bottoms up. Turned over to rig pumps & pumped 2nd bottoms up no losses / no gains wait on cement, pumping 1 bbl every 15 minutes to ensure post tool is clear.

At 0500 noticed gain in pits, observed well on trip tank, flowing at 18 bph. Discuss well flow issue with Houston shut well in & monitor pressure zero pressure.

Perform 3rd stage cement job. Pump 20 bbls gel spacer (wg-19) + 530 sks (187 bbl) cement, 12.4 ppg, 1.98 yield, 11.0 gal/sk, at 5 bpm. pump tail cement 100 sks ( 24 bbl) 14.8 ppg 1.33 yield, 6.34 gal/sk, at 5.0 bpm. Drop plug and displace with 96 bbl fresh water. Bumped plug at 08:20 hrs, at 1151 psi and close DV tool above POST to 3150 psi. Held 5 min. floats holding. bled back 1.0 bbls. circulated out 46 bbls cement (136 sks) to surface had full returns at all times no losses. Flush cement out BOP and flow line fill with fresh water and shut in well. Wait on cement.

Lift bop and set 5 1/2" C22 casing slips with 121k string weight; rough cut 5 1/2" casing nipple down BOPE. Make final cut on 5 1/2" casing and install FMC 11" 5k x 7 1/16" 5k tubing head and torque up bolts, test seals with oil to 3400 psi (for 10 minutes), test good.