

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

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

☒ 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)

SL-T10FSL 1909 FEL SWSE(O) Sec 3 T22S R31E
BH-3SDTSL 1660 FUL SESW(N)

5. Lease Serial No.

NMNM0417696

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lost Tank 3 #13
Federal

9. API Well No.

30-015-37908

10. Field and Pool, or Exploratory Area

Lost Tank 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

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other Spud, set

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

casing & cement

☐ Convert to Injection

☐ Plug Back

☐ 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 final site is ready for final inspection.)

Spud 14-3/4" hole 11/27/10, drill to 683', RIH & set 11-3/4" 42# H40 STC csg @ 683', cmt w/ 570 sx PPC w/ additives, circ 274sx cmt to surface. WOC, Test BOP's.

Drill 10-5/8" hole to 3989'. RIH w/ 8-5/8 csg 32# J-55 LTC & set @ 3989', cmt w/ 880sx PPC followed by 200sx PPC all w/ additives, circ 379sx cmt to surf, WOC, Test BOP's.

Directionally drill 7-7/8" hole to 8575'M 8146'V. Log well, RIH w/ 5-1/2" 17# J55 LTC csg @ 8570' w/ DVT @ 5895', POST @ 4004'. Cmt 1st stage w/ 560sx PPC, circ 105sx cmt to surf. Cmt 2nd stage w/ 630sx PPC, circ 348sx cmt to surf. Cmt 3rd stage w/ 380sx PPC followed by 150sx PPC all w/ additives, circ 90sx cmt to surf. Rel Rig 12/10/10.

RECEIVED

JAN 12 2011

NMOCD ARTESIA

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

Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

12/15/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

JAN 9 2011

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

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.

DJS COH

SPUD 21:30 HRS 11/27/2010, DRILL 14-3/4" SURFACE HOLE TO 683'

RIH W/ 11-3/4" CASING 42# H-40 STC AS FOLLOWS:

01 GUIDE SHOE -STC (WEATHERFORD TIGER TOOTH) AT 683'.

01 SHOE JOINT - STC WITH STOP RING 10' UP FROM GUIDE SHOE.

01 FLOAT COLLAR (WEATHERFORD) AT 642.50'. (THREAD LOCKED)

15 CASING JOINTS, STC, CASING TO SURFACE.

PUMP CEMENT AS FOLLOW: 20 BBLs GEL SPACER WITH RED DYE AT 5 BPM + 570 SACKS (137 BBL), 14.8 PPG, 1.35 YIELD , MIX WATER 6.39 GAL/SK, AT 7 BPM. WASH UP ON TOP OF PLUG AND DISPLACEMENT WITH 78 BBLs 10 PPG BRINE WATER AT 6 BPM, 208 PSI, SLOWED TO 2.5 BPM LAST 11.5 BBLs. BUMP THE PLUG TO 816 PSI (500 OVER) AT 21:30 HRS. HELD FOR 10 MINUTES BLEED BACK 0.5 BBL FLOAT HELD. CIRCULATED 66 BBLs (274 SACKS) CEMENT. LEGION BRUMLEY , BLM OFFICIAL WAS ON LOCATION TO WITNESS CEMENT JOB.

WAIT ON CEMENT 12 HRS FROM PLUG DOWN. START CLEANING STEEL PITS, RIG MAINTINANCE, HOUSEKEEPING, CHANGE BALES ON 8 5/8" CDS, CLEAN AND PREP SPACER SPOOLS.

FINAL CUT 11.75" CASING 41" BELOW GROUND-LEVEL INSTALL FMC CASING HEAD (C-22-EG, 11-3/4" SOW x 13-5/8" x 3K TOP FLANGE), VALVES FACING EAST / WEST

WELD AND TEST CASING HEAD TO 750 PSI (70% CASING COLLAPSE PRESSURE). TESTED SAME WITH N2. PRESSURE 15 MINUTES GOOD TEST. FIRST ATTEMPT TO TEST LEAKING DOWN 100 PSI. IN 7 MINUTES NO VISUAL LEAKS, FOUND LEAK ON FMC TEST MANIFOLD WITH SOAPY WATER. CHANGED OUT FITTING AND RETEST GOOD.

IPPLE UP 11" 5K LB BOP STACK (BOTTOM TO TOP): DSA (DOUBLE STUDDED ADAPTER) 13-5/8" x 3K LB X 11" x 5K LB. SPOOL 11" x 5K LB X 11" x 5K LB. 11" x 5K LB PSI DOUBLE RAM (BLINDS ON BOTTOM, 4 1/2" PIPE RAMS ON TOP). 11" x 5K LB PSI ANNULAR PREVENTER. 11" x 5K LB ROTATING HEAD.

NOTIFIED TERRY WILSON WITH BLM AT 16:00 HRS OF BOP TEST. WE DISCUSSED NO BOP OR SURFACE EQUIPMENT WOULD BE TESTED FOR 24 HRS FROM PLUG DOWN. START BOP TEST AT 21:30 HRS. 11/29/2010

TESTING WITH MONAHANS NIPPLE UP TESTERS, THIRD PARTY TESTER.

BOPS WITH CLOSED CASING VALVE AGAINST 11.75" CASING. ALL TEST HELD FOR 30 MINUTE LOW. 30 MINUTE HIGH.

TESTING BEGAN AT 21:30 HRS = 24 HRS FROM PLUG DOWN

TEST # 1) BLIND RAM, 11.75" 42# CASING, INSIDE KLV, CMV 4, 5, 6, 7, CASING - LOW 250, HIGH 1386.

TEST # 2) BLINDS, INSIDE 2" KLV, POWER CHOKE VALVE , OUTSIDE MANUAL CHOKE VALVE, CASING - LOW 250 , HIGH 1386.

TEST # 3) PIPE RAMS , OUTSIDE KLV, INSIDE 2" CMV, CASING - LOW 250 , HIGH 1386.

TEST # 4) CHECK VALVE, HCR VALVE , MANUAL TOP DRIVE VALVE - 250 LOW 1368 HIGH.

TEST # 5) ANNULAR , INSIDE CHOKE LINE VALVE # 4. - LOW 250 HIGH 1386.

TEST # 6) MUDLINES BACK TO PUMPS - 250 LOW , 3500 HIGH.

TEST # 7) STAND PIPE KELLY HOSE - 250 LOW, 3500 HIGH.

TEST # 8) MANUAL TOP DRIVE VALVE - 250 LOW, 3500 HIGH.

TEST # 9) FLOOR VALVE (TIW) - 250 LOW, 3500 HIGH.

TEST # 10) DART VALVE - 250 LOW, 3500 HIGH.

DRILL OUT CEMENT, FLOAT COLLAR, SHOE TRACK FROM 637' TO 683' AND 10' NEW FORMATION TO 693'.

450 GPM, 1800 PSI. SRPM 45, MRPM 99, BRPM 144.

CIRCULATE CONSISTENT 9.8 PPG FLUID WEIGHT AROUND, SPOT 30 BBLs OF 8 PPB SALT GEL AND 20 PPB MIX II MEDIUM PILL, CLOSE ANNULAR AROUND DRILL PIPE, FORMATION INTEGRITY TEST AT 683' WITH 9.8 PPG , PRESSURE DRILL PIPE TO 113 PSI, HOLD 5 MINS, LOST 0 PSI, GOOD TEST. EMW= 13.0 PPG.

DRILL 10-5/8" INTERMEDIATE HOLE TO 3989'

NOTIFIED BLM CARLSBAD AT 18:30 HRS TALKED WITH MR. LEGION BRUMLEY GAVE INTENT TO CEMENT INTERMEDIATE CASING.

RIH W/ 8-5/8" 32# J-55, LTC INTERMEDIATE CASING AS FOLLOWS:

01 SHOE MODEL 303A FROM 3989.00' TO ' 3987.48

02 SHOE CASING JOINTS FROM 3987.48' TO 3903.77'

FLOAT COLLAR MODEL 402A FROM 3903.77' TO 3902.57'

96 JOINTS CASING TO SURFACE

PUMP 20 BBL OF GEL SPACER (6 PPB WG-19 GELLING AGENT WITH RED DYE) + 880 SKS (294.5 BBL), LEAD HALLIBURTON LIGHT PREMIUM PLUS 12.90 PPG, 1.88 FT3/SK YIELD, 9.35 GAL/SK WATER AT 7 BPM + TAIL 200 SKS (47.7 BBL) PREMIUM PLUS CEMENT , 14.80 PPG , 1.34 FT3/SK, MIXING FLUID: 6.38 GAL/SK. AT 4.5 BPM FULL RETURNS AT ALL TIMES. DROP PLUG , WASH UP ON TOP DISPLACING CEMENT AT 7 BPM WITH 237.6 BBLs FRESH WATER. FINAL CIRCULATING PRESSURE 1075 PSI. BUMPED PLUG AT 18:13 HRS 12/2/2010 TO 1600 PSI. (525 PSI OVER). HELD FOR 5 MINUTES AND BLEED BACK 1.5 BBLs

CIRCULATED 127 BBLs (379 SACKS) CEMENT TO SURFACE.

NOTE: MR. LEGION BRUMLEY FROM BLM WITNESSED CEMENTING JOB.

SET AND NIPPLE UP "B" SECTION FMC 13 5/8" 3K X 11" 5K, TEST VOID TO 1770 PSI AND HOLD FOR 15 MINUTES GOOD TEST WITNESS BY DSM. NU BOPE, INSTALL CHOKE LINE AND FLOW LINE.

NOTIFIED CARLSBAD BLM AT 07:30 HRS TALKED TO LEGION BRUMLEY GAVE NOTICE OF TESTING BOPE 250 LOW / 5000 HIGH.

TEST BOP EQUIPMENT 10 MIN LOW (250 PSI) AND 10 MIN HIGH (5000 PSI) AS FOLLOWS BY ALAN IBARRA :

TEST #1 BLIND RAMS, OUTSIDE 4" KLV, INSIDE CHOKE MANIFOLD VALVES, OUTSIDE 4" KILL LINE VALVE, 250 / 5000.

TEST # 2 BLIND RAMS, MANUAL & POWER CHOKE VALVES, OUTSIDE 4" CH.MAN VALVE INSIDE 2" KILL LINE VALVE 250 / 5000.

TEST # 3 BLIND RAMS, INSIDE 2" CHOKE MANIFOLD VALVES, 250 / 5000.

TEST # 4 PIPE RAMS, OUTSIDE 2" KLV, HCR, 250 / 5000.

TEST # 5 PIPE RAMS, INSIDE CHOKE LINE VALVE, 2" CHECK VALVE 250 / 5000. TEST # 6 ANNULAR, INSIDE 4" CHOKE LINE VALVE, 2" CHECK VALVE 250 / 3100.

TEST # 7 TIW , 250 / 5000

TEST # 8 LOWER MANUAL TOP DRIVE VALVE 250 / 5000

TEST # 9 STAND PIPE / MUD LINE BACK TO PUMPS, 250 / 4000.

TEST # 10 DART VALVE 250 / 5000.

DRILL FLOAT COLLAR, SHOE JT, FLOAT SHOE, AND 10' NEW FORMATION. DRILLED FROM 3904' TO 3999'. WOB 8K. SRPM 40 + DHRPM 126 = 166 TRPM. GPM 600. PP ON BOTTOM 2600 PSI. OFF BOTTOM 2400 PSI. TORQ 2000 ON BOTTOM. OFF BOTTOM 1000. RUN FIT USING 8.4 PPG FRESH WATER. OBTAIN 10.4 PPG EMW WITH 415 PSI FOR 5 MINUTES.

DIRECTIONALLY DRILL 7-7/8" PRODUCTION HOLE TO 8575'M 8146°V 12/7/10.

RIH W/ 5-1/2" 17# J-55 LTC CASING AS FOLLOWS

1-FLOAT SHOE 8568-8570'

2-SHOE JOINT 8483-8568.0

1-FLOAT COLLAR 8481.7-8483.0

61-CASING JOINT(S) 5895.9-8481.7

1-DV TOOL 5893.4-5895.9

45-CASING JOINT(S) 4015.5-5893.4

1- POST DV TOOL 3990.5-4015.5

94-CASING JOINT(S) 3990.5-Surface

1ST STAGE CEMENT, 20 BBL FRESH WATER / WG-19 GEL SPACER, 560 SKS (161 BBL) CEMENT SUPER H, 13.2 PPG, 1.61 CU-FT/SK YIELD, 7.83 GAL/SK AT 6 BPM @ 270 PSI. DROP WIPER DART AT 05:56 HRS AND DISPLACE WITH 70 BBL 8.4 PPG FRESH WATER AT 8 BPM, FOLLOWED BY 127.0 BBL FW MUD 9.1 PPG. SLOW RATE WHILE PASSING THROUGH PACKER TOOL & DV TOOL. REDUCED RATE TO 6 BPM DUE TO KELLY HOSE JACKING OFF. SLOW TO 3 BPM LAST 10 BBL. 840 PSI FINAL PRESSURE. OVER DISPLACED 5 BBL DUE TO MUD FOAMING IN DISPLACEMENT TANKS. DID NOT BUMP PLUG. FLOWED BACK 2.5 BBL. FLOAT HELD. DROP DART. LET FALL 34 MINS. HALLIBURTON OPENED DV TOOL W/ 1000 PSI. CIRCULATE @ 8 BPM WITH 550 PSI USING 9.1 PPG FW MUD. RECOVERED 30 BBL (105 SKS) CEMENT.

2ND STAGE CEMENT, PUMPED 10 BBL FRESH WATER PREFLUSH, & 20 BBL W-19 GEL SPACER. MIX & PUMP 630 SKS (181 BBL) SUPER H @ 13.2 PPG W/ 1.61 CU-FT/SK YIELD USING 7.82 GAL/SK MIXING WATER. DROP DV TOOL DART AND DISPLACE WITH 60 BBL FRESH WATER & 73 BBL 9.1 PPG FW MUD @ 8 BPM W/ 1000 PSI. SLOWED TO 3 BPM LAST 10 BBL. BUMPED PLUG @ 13:31 HRS WITH 2900 PSI (1800 PSI OVER). BLED BACK 1.5 BBL. FLOAT HELD. DROP DART. LET FALL 31 MINS. HALLIBURTON OPENED DV TOOL W/ 1650 PSI. CIRCULATE @ 8 BPM WITH 550 PSI USING 9.1 PPG FW MUD. CIRCULATED OUT 100 BBL (348 SKS).

3RD STAGE CEMENT. PUMPED 10 BBL FRESH WATER PREFLUSH, & 20 BBL W-19 GEL SPACER. MIX & PUMP LEAD SLURRY OF 380 SKS (139 BBL) HALLIBURTON LIGHT PREMIUM PLUS @ 12.4 PPG W/ 2.05 CU-FT/SK YIELD USING 11.39 GAL/SK MIXING WATER. FOLLOW WITH TAIL SLURRY OF 150 SKS PREMIUM PLUS @ 14.8 PPG W/ 1.33 CU-FT/SK YIELD USING 5.81 GAL/SK MIXING WATER. DROP DV TOOL DART AND DISPLACE WITH 93 BBL FRESH WATER @ 8 BPM W/ 1000 PSI. SLOWED TO 3 BPM LAST 10 BBL. BUMPED PLUG @ 15:02 HRS WITH 2750 PSI (1785 PSI OVER). BLED BACK 1.5 BBL. FLOAT HELD. CIRCULATED 33 BBL (90 SKS) TO SURFACE.

CLEAN PITS. RIG DOWN EQUIPMENT. SET SLIPS WITH 166K AND ROUGH CUT. BREAK STACK BELOW HYDRIL AND SET BACK. SET BACK RAM SECTION. INSTALL 7-1/16" 5K TUBING HANGER ON TOP OF B SECTION. PRESSURE TEST FOR 15 MINUTES WITH 3400 PSI.

RIG RELEASED @ 24:00 HRS. 12/10/10