Form 3160-5 (August 1999)

UNITED STATES: DEPARTMENT OF THE INTERIOIOCD-ARTESIA

BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS NMNM0417696 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well 8. Well Name and No. X Oil Well Gas Well Other Lost Tank 4 #12 2. Name of Operator Federal OXY USA Inc. 16696 9. API Well No. 3a. Address 3b. Phone No. (include area code) 30-015-**3795** P.O. Box 50250, Midland, TX 79710-0250 432-685-5717 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Lost Tank Delaware, West SL- 2200 FSL 2260 FWL NESW(K) Sec 4 T22S R31E BH. 1956 FSL YGI FWL NWSW(L) 11. County or Parish, State Eddy CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Acidize Production (Start/Resume) Water Shut-Off Deepen Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair New Construction Other Spud. set Recomplete Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice <u>casing & cement</u> 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 recomplete 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 final site is ready for final inspection.) Spud 14-3/4" hole 11/8/10, drill to 680', RIH & set 11-3/4" 42# H40 STC csg @ 680', cmt w/ 550 sx PPC w/ additives, circ 320sx cmt to surface. WOC, Test BOP's. Drill 10-5/8" hole to 3912'. RIH w/ 8-5/8 csg 32# J-55 LTC & set @ 3912', cmt w/ 1230sx PPC followed by 200sx PPC all w/ additives, circ 570sx cmt to surf, WOC, Test BOP's. Directionally drill 7-7/8" hole to 8514'M 7984'V. Log well, RIH w/ 5-1/2" 17# J55 LTC csg @ 8514' w/ DVT @ 5903', POST @ 3949'. Cmt 1st stage w/ 550sx PPC, circ 345sx cmt to surf. Cmt 2nd stage w/ 670sx PPC, circ 261sx cmt to surf. Cmt 3rd stage w/ 370sx PPC followed by 150sx PPC all w/ pdt cmt to surf. Rel Rig 11/21/10 JAN 12 2011 NMOCD ARTESIA I hereby certify that the foregoing is true and correct Name (*Printed/Typed*) Sr. Regulatory Analysten EAD DEAADA David Stewart ILD I VIN INLUVINL Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE JAN Date 2011 Approved by 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. ALL 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 will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will fully to make to any person knowingly and will full to make to any person knowingly and will full to make to any person knowingly and will full to make to any person knowingly and will full to make to any person knowingly and the make to any person knowingly and will full to make to any person knowingly and will full to make to any person knowingly and will full to make to any person knowingly and the make to any person known

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

SPUD WELL @ 02:00 HRS. ON 11/08/10 DRILL 14-3/4" SURFACE HOLE TO 680'

RIH w/ 11-3/4" SURFACE CSG 42# H40 STC FROM SURFACE TO 680'

'01 TEXAS GUIDE SHOE (SET @ 680' TO 679.34)

02 SHOE JT 11.75" 42.00 H40 STC CSG THREAD LOCKED

01 FLOAT COLLAR WEATHERFORD, THREAD LOCKED (SET @ 636.70 TO 635.63)

15 JTS 11.75" 42.00 H40 STC CSG

PUMP 20 BBL GEL SPACER, 550sx (132 bbl) PREMIUM PLUS + 2% CALCIUM CHLORIDE, 14.8 PPG, YLD-1.35, GPS-

6.39, 132 BBL SLURRY @ 6 BPM. DISPLACE WITH 77 BBLS OF BRINE @ 8 BPM. FINAL PRESS @ 2 BPM 22O PSI,

BUMP PLUG 500 OVER TO 750 PSI. HELD PRESS FOR 10 MINUTES. BLED OFF PRESSURE, FLOATS HELD OK.

CIRC 320sx (77bbl) OF CEMENT BACK TO SURFACE. RICHARD CARRASCO WITH BLM WITNESSED CMT JOB.

BUMP PLUG @ 23:00 11/08/2010

BOP TEST SAFETY MEETING WITH MONAHANS THIRD PARTY TESTER.

BOPS WITH CLOSED CASING VALVE AGAINST 11-3/4" CASING

TEST #1) FULL BODY ANNULAR, INSIDE KILL, OUTSIDE CHOKE VALVES 250 PSI LOW, 1386 PSI HIGH

TEST # 2) PIPE RAMS, HCR, OUTSIDE, KILL 250 PSI LOW, 1386 PSI HIGH

TEST # 3) INSIDE 4" CHOKE LINE, CHECK VALVE 250 PSI LOW, 1386 PSI HIGH

TEST # 4) BLIND RAMS, INSIDE CHOKE MANIFOLD 250 PSI LOW, 1386 PSI HIGH

TEST # 4) BLIND RAMS, INSIDE CHOKE MANIFOLD 250 PSI LOW, 1386 PSI HIGH

TEST # 5) LOWER KELLY VALVE 250 PSI LOW, 3500 PSI HIGH

TEST # 6) STAND PIPE TO MUD PUMPS 250 PSI LOW, 3500 PSI HIGH

TEST # 7) ACCUMULATOR, HCR, MANUAL CHOKE, HYD CHOKE, AND ALL VALVES ON CHOKE MANIFOLD, 250 PSI LOW. 1386 PSI HIGH

TEST # 8) TIW VALVES, DART VALVE 250 PSI LOW, 3500 PSI HIGH

(LAID DOWN CUP TESTER, RESUMED TESTING AGAINST 11-3/4" 42# CASING.)

30 MINUTES OF REQUIRED PRESSURE ON ALL TESTS. ALL TESTS ARE DOCUMENTED AS PER OXY AND BLM REQUIREMENTS. CALL RICHARD CARRASCO WITH BLM

P/U MOTOR, M/U BIT, DIRECTIONAL TOOLS. TEST MOTOR AND MWD OK, TIH, TAG CEMENT @ 622'. TEST CSG TO 1386 PSI FOR 30 MINUTES. PREFORM CHOKE DRILL. DRLG OUT CMT. FLOAT COLLAR @ 636', CSG SHOE @ 680' AND 10' NEW HOLE. CIRC HOLE CLEAN. SPOT LCM PILL ON BTM. PREFORM FIT ON CSG SHOE @ 680' TO EMW OF 13.0 PPG WITH 106 PSI.

11/10/10 - DRILL 10-5/8" INTERMEDIATE HOLE TO 3912'.

RIH w/ 8-5/8 CASING 32# J-55 & SET @ 3912'

SHOE @3912.

TWO JOINTS OF 8 5/8" CASING 32# J55 3910 TO3825.50

FLOAT COLLAR 3823.60

92 JOINTS 8 5/8" CASING 32# J55 3912 TO SURFACE

PUMP 10BBL H20 SPACER - 20 BBL GEL SPACER -2000GAL SUPER FLUSH 102 - 1230sx (410.8bbl) @ 12.9 PPG 1.88 CU FT. SK, 9.35 GAL SK, PUMP AT 8 BPM LEAD CEMENT - 200sx (48bbl) @ 14.8 PPG 1.34 CU FT. SK, 6.38 GAL SK, PUMP AT 5 BPM TAIL CEMENT. DISPLACE W/ 230 BBLS F/W. CIRCULATE 570sx (191bbls) TO PITS, BUMP PLUG at 2 BPM at 1200 psi, 500 PSI OVER (1700 PSI) HELD PRESSURE FOR 10 MIN., BLED BACK 2 BBLS, FLOATS HELD

RIG UP MONAHANS TESTER & TEST PLUG. PLUS JT BELOW TEST PLUG

TEST B.O.P, RELATED EQUIPMENT AND LINES.

TEST #1-BLINDS, INLINE 2" KLV. 250 PSI LOW, 5000 PSI HIGH OK, 10 MINUTES EACH

TEST #2-OUT 2" MANUAL CMV, OUT 2" POWERCHOKE VALVE 250 PSI LOW, 5000 PSI HIGH OK, 10 MINUTES EACH

TEST #3-- #5 # 6 CMV 250 PSI LOW, 5000 PSI HIGH OK, 10 MINUTES EAC

TEST #4 PIPE RAMS, OUT KLV, #11 VERTICLE CMV- 250 PSI LOW 5000 PSI HIGH OK, 10 MINUTES EACH

TEST # 5 PIPE RAMS, CHECK VALVE, HCR

TEST #6-PIPE RAMS, IN 4" CLV, MANUAL TOP DRIVE VALVE 250 PSI LOW AND 3500 PSI HIGH OK FOR 10 MINUTES

TEST #7- ANNULAR 250 PSI LOW, 3100 PSI HIGH.

PERFORMED ACCUMULATOR TEST

TEST # 8- STAND PIPE AND MUDLINES BACK TO PUMPS 250 PSI LOW, 3500 PSI HIGH.

TEST #9 DART VALVE 250 PSI LOW, 5000 PSI HIGH.

ALL TESTS ARE DOCUMENTED AS PER OXY AND B.L.M. REQUIREMENTS. BLM REPRESENITIVE TERRY WILSON

WAS NOTIFIED OF BOP TEST AND ON LOCATION

TEST CASING TO 2050 PSI FOR 30 MINUTES

DHÎLL CEMENT, FLOAT COLLAR, SHOE JOINT, SHOE AND 10' OF NEW FORMATION FROM 3,912' TO 3,922' CIRC HOLE CLEAN & MUD EQUAL PERFORMED FIT 10.4 PPG EMW. WITH 8.4 PPG FLUID WITH 410 PSI. GOOD TEST.

DIRECTIONALLY DRILL 7-7/8" PRODUCTION HOLE TO 8514' M, 7984'V LOG WELL WITH SCHLUMBERGER. HNGS / HRLA CNL /LITHO-DEN /CMR RIH w/ 5-1/2" 17# LTC PRODUCTION CASING to 8514' 1 FLOAT SHOE 8514' - 8512.52'

- 2 JOINTS 5.50" 17# J-55 CASING 8512.52' 8426.74'
- 1 FLOAT COLLAR 8426.74 8425.21'
- 60 JOINTS 5.50" 17# J-55' 8425.21- 5904.10'
- 1 5.50 HYDRAULIC STAGE TOOL 5904.10' 5901.95
- 46 JOINTS 5.50" 17# J-55 5901.95' 3961.68'
- 1 5.50 DAVIS/LYNCH STAGE TOOL AND PACKER 3961.68' 3936.06'
- 93 JOINTS 5.50" 17# J-55 3936.06' TO SURFACE

CEMENT 1ST STAGE PER PROGRAM. PUMP 20 BBL GEL F/W SPACER, 550sx (158bbl) SLURRY, 13.2# LEAD CEMENT PERMIAN BASIN SUPER H + .05% HALAD(R)-344 + .04% CFR-3 + 5 LBM GILSONITE + 1 LBM SALT + 0.3% HR-800 + 0.125 LBM POLY-E-FLAKE @ 8 BPM. YLD-1.61, GPS-7.83, DROP PLUG, WASH UP LINES, DISPLACE WITH 80 BBLS H20- WITH RED DYE, 116 BBLS MUD @ 8 BPM. BUMP PLUG WITH 700 PSI OVER. CHECK FLOATS 1.50 BBLS BACK, OK, OPEN DV TOOL WITH 3100 PSI. CIRCULATE 345sx (100bbl) CEMENT TO SURFACE.

CEMENT 2ND STAGE PER PROGRAM. PUMP 20 BBL F/W GEL SPACER 8.34 PPG @ 8 BPM, 670 SKS 13.2#, 192 BBLS OF SUPER H CEMENT + 0.5% HALAD(R)-344 + 0.4% CFR-3 + 5 LBM/SK GILSONITE + 1 LBM/SK SALT + 0.125 LBM/SK POLY-E-FLAKE @ 8 BPM, YLD-1.61, GPS-7.82, DROP PLUG, WASH UP LINES, DISPLACE WITH 90 BBLS H20- WITH RED DYE, 87 BBLS B/W @ 8BPM, BUMP PLUG WITH 2700 PSI OVER. CHECK BACK FLOW OK, DROP BOMB WAIT 25 MIN PRESSURE UP TO 650 PSI TO INFLATE POST, CONTINUE TO PRESSURE UP TO 1650 PSI TO OPEN. CIRC 261sx (75bbl) CEMENT TO SURFACE.

CEMENT 3RD STAGE PER PROGRAM, PUMP 20 BBLS F/W GEL SPACER 8.3 PPG @ 5 BPM, LEAD 370 SKS 142 BBL SLURRY LIGHT PREMIUM PLUS + 3 LBM SALT, 12.4 PPG, YLD-2.05, GPS-11.39 @ 8 BPM, TAIL 150 SKS, 35 BBL SLURRY, PREMIUM PLUS CLASS C + 5 LBM GILSONITE + 0.125 LBM POLY-E-FLAKE @ 6 BPM, YLD-1.33, GPS-5.81, DISPLACE WITH 93 BBL FRESH WATER, BUMP PLUG AND PRESSURE TO 2775 PSI TO CLOSE POST TOOL OK. CIRC 104sx (38bbl) CMT TO SURFACE.

WASH OUT BOP, SHAKERS, CHOKE MANIFOLD, GAS SEPARATOR, CHOKE MANIFOLD. RIG DOWN FLOWLINE, FILLUP LINE, TURNBUCKLES, 1" HYDRAULIC LINE. RIG DOWN B.O.P. HYDRAULIC LINES, FLOWLINE, KILL IRON, AND FLOW SENSOR. READY BOP. FOR NIPPLE DOWN. NIPPLE DOWN BOP., SET SLIPS USING FULL STRING WT., CUT CSG, LAY DOWN, RIG DOWN GAS BUSTER AND COMPONENTS. NIPPLE DOWN, INSTALL TUBING HEAD TORQUE TO SPEC. PER FMC REP. TEST TO 3500 PSI. OK. RELEASE RIG 1800HRS. 11/21/10