

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)

2400 FSL 2250 FEL NWSE (J) Sec 3 T22S R31E

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 #20
Federal

9. API Well No.

30-015-37919

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 12/10/10, drill to 696', RIH & set 11-3/4" 42# H40 STC csg @ 650', cmt w/ 570sx PPC w/ additives, circ 208sx cmt to surface. WOC, Test BOP's.

Drill 10-5/8" hole to 4115'. RIH w/ 8-5/8 csg 32# J-55 LTC & set @ 4115', cmt w/ 910sx PPC followed by 200sx PPC all w/ additives, circ 409sx cmt to surf, WOC, Test BOP's.

Drill 7-7/8" hole to 8220'V. Log well, RIH w/ 5-1/2" 17# J55 LTC csg @ 8220' w/ DVT @ 5915', POST @ 4207'. Cmt 1st stage w/ 510sx PPC, circ 174sx cmt to surf. Cmt 2nd stage w/ 570sx PPC, circ 115sx cmt to surf. Cmt 3rd stage w/ 390sx PPC followed by 150sx PPC all w/ additives, circ 130sx cmt to surf. Rel Rig 12/22/10.

Accepted for record - NMOC

DSD

RECEIVED

JAN 28 2011

NMOC ARTESIA

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

1/5/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

JAN 23 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.

NA

SPUD 14-3/4" SURFACE HOLE AT 20:00 HRS ON 12/10/2010. DRILL 14-3/4" SURFACE HOLE TO 696'
RIH w/ 11-3/4" 42# H-40 STC R-3 FROM SURFACE TO 650', TAG UP. RU & WASH @ 420 GPM W/ 200 PSI. COULD NOT WORK THROUGH.
01 GUIDE SHOE -STC (WEATHERFORD TIGER TOOTH) AT 648'.
01 SHOE JOINT - STC WITH STOP RING 10' UP FROM GUIDE SHOE.
01 FLOAT COLLAR (WEATHERFORD) AT 609.29'. (THREAD LOCKED)
15 CASING JOINTS, STC, CASING TO SURFACE.
RUN 07 WEATHERFORD BOW SPRING CENTRALIZERS ONE ON FIRST THREE JOINTS AND EVERY 3 JOINTS FROM 574.58' TO CELLAR ON COUPLINGS.
TOTAL CENTRALIZERS = 7. APPLY 3,070 LB-FT TORQUE ON ALL CONNECTIONS.
NOTE: PERMISSION WAS RECEIVED FROM MR. CHRIS WALLS, BLM ENGINEER ON CALL, CARLSBAD, NM THROUGH MR. ROBERT HOSKINSON, BLM PETROLEUM ENGINEERING TECHNICIAN, CARLSBAD, NM TO CEMENT SURFACE PIPE @ 650' INSTEAD OF 680' @ 07:30 HRS, 12/12/2010.
PUMP CEMENT AS FOLLOW: 20 BBLS GEL SPACER WITH RED DYE AT 8 BPM + 570 SACKS (137 BBL), 14.8 PPG, 1.35 YIELD, MIX WATER 6.39 GAL/SK, AT 5 BPM. WASH UP ON TOP OF PLUG AND DISPLACEMENT WITH 77 BBLS OF FRESH WATER AT 7 BPM, 350 PSI, SLOWED TO 2 BPM LAST 11.5 BBLS. BUMP THE PLUG TO 635 PSI (500 OVER) WENT 2 BBLS OVER BY OXY DSM AT 09:06 HRS. HELD FOR 10 MINUTES BLEED BACK .5 BBL FLOAT HELD. CIRCULATED 50 BBLS (208 SACKS) OF EXCESS TO CRI ROLL OFF BIN.
NOTE: ROBERT (BOB) HOSKINSON, BLM OFFICIAL WAS ON LOCATION TO WITNESS CEMENT JOB.
NIPPLE 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.
NOTE: NOTIFIED MR. BOB HOSKINSON WITH BLM AT 20:30 HRS OF BOP TEST. WE DISCUSSED NO BOP OR SURFACE EQUIPMENT WOULD BE TESTED FOR 24 HRS FROM PLUG DOWN. START BOP TEST AT 21:00 HRS.
TEST BOP
TEST #1) ANNULAR, 2" KLV INSIDE, 2" CMV #3, 4" CMV #3, 4" CMV #4, 4" CMV #5, 4" CMV #6. 250 PSI/1386 PSI.
TEST #2) TIW. 250 PSI/3000 PSI.
TEST #3) LOWER KELLY VALVE. 250 PSI/3000 PSI.
TEST #4) STANDPIPE, MUDLINES, PUMP VALVES. 250 PSI/3000 PSI.
TEST #5) HIGH DART VALVE. 250 PSI/3000 PSI.
TEST #6) PIPE RAMS, 2" KLV OUTSIDE, 4" HCR. 250 PSI/1386 PSI
TEST #7) PIPE RAMS, 2" KLV OUTSIDE, 4" CIV INSIDE. 250 PSI/1386 PSI
TEST #8) BLIND RAMS, 2" KL CHECK, 4" POWER CHOKE, 2" MANUAL CHOKE, & 4" CMV #6. 250 PSI LOW/1386 PSI HIGH.
TEST #9) BLIND RAMS, 2" KL CHOKE, 2" CMV #2, PIT SIDE 2" CMV #2 V-DOOR. 250 PSI LOW/1386 PSI HIGH.
ACCUMULATOR TEST: 50.72 SECONDS
REPLACE SEALS ON PIPE RAMS. CLEANED CEMENT FROM RAM CAVITY. 30 MINUTES ON ALL TESTS. ALL TESTS ARE DOCUMENTED AS PER OXY AND BLM REQUIREMENTS.
TAG GREEN CEMENT @ 650'. WASH & REAM TO HARD BOTTOM @ 657'. DRILL SHOE TRACK FROM 657' - 696'. RECOVERED WOOD ACROSS SHAKERS. WIPER PLUG HAD WOODEN CORE.
NOTE: THE PREVIOUS REPORT SHOWED THE CASING SHOE SET AT 650'. AN ERROR IN THE PIPE TALLY CALCULATIONS LEFT ONE (1) JT OF CASING OUT OF RUN TALLY. A BRIDGE WAS NOT ENCOUNTERED. IT WAS TD. THE CORRECT DEPTH OF THE CASING SHOE IS 696'.
DRILL 10' NEW FORMATION FROM 696' - 706'. PUMPED 20 BBL SWEEP. PERFORMED FIT USING 9.6 PPG BRINE FOR AN EMW OF 13.0 PPG @ 707' TVD WITH 125 PSI. HELD 5 MINUTES. OK.

DRILL 10-5/8" INTERMEDIATE HOLE TO 4115'
RIH W/ 8-5/8" 32# J-55 LTC CASING, BROKE CIRCULATION @ 1900'. TAGGED @ 4090'. WASHED TO HARD BOTTOM @ 4115'.
01 SHOE MODEL 303A FROM 4115.00' TO 4113'
02 SHOE CASING JOINTS FROM 4113' TO 4029'
FLOAT COLLAR MODEL 402A FROM 4029' TO 4028'
97 CASING JOINTS TO SURFACE.
NOTE : MAKE UP GUIDE SHOE, ENSURE CIRCULATION, MAKE UP FLOAT COLLAR, ENSURE CIRCULATION.
NOTIFIED BLM CARLSBAD AT 18:30 HRS TALKED WITH MR. LEGION BRUMLEY GAVE INTENT TO CEMENT INTERMEDIATE CASING.
TEST LINES 500 LOW / 3000 HIGH.
SPACER#1: PUMP 10 BBL OF FRESH WATER WITH RED DYE.
SPACER#2: 20 BBL FRESH WATER WITH WG-19 GELLING AGENT AHEAD OF CEMENT.
LEAD - PUMPED 304 BBLS/ 910 SKS HALLIBURTON LIGHT PREMIUM @ 12.9 PPG. 1.91YIELD. @ 8 BBLS/MIN.
TAIL - PUMPED 48 BBLS / 200 SKS PREMIUM PLUS CEMENT @ 14.8 PPG. 1.34 YIELD @ 5 BBLS/MIN.
WASHED UP LINES ON TOP OF PLUG.
DISPLACED WITH 245.6 BBLS FRESH WATER 1100 PSI OF LIFT PRESSURE @ 7 BPM. SLOWED TO 2 BPM LAST 10 BBLS.
BUMPED PLUG AT 01:16 HRS TO 1550 PSI (400 PSI OVER). HELD PRESSURE FOR 5 MINUTES. BLEED BACK 0.5 BBLS - FLOAT HELD.
CIRCULATED 137 BBLS (409 SACKS) CEMENT TO SURFACE.
CASING SHOE SET @ 4114'
NOTE: MR. LEGION BRUMLEY WITH BLM, CARLSBAD, NM. WITNESSED CEMENTING JOB.
TEST BOP EQUIPMENT 30 MIN LOW (250 PSI) AND 30 MIN HIGH (5000 PSI) AS FOLLOWS:
TEST #1BLIND RAMS, INSIDE 2" KLV, INSIDE CHOKE MANIFOLD VALVES, 250 / 5000.
TEST # 2 PIPE RAMS, MANUAL & POWER CHOKE VALVES, 250 / 5000.
TEST # 3 BLIND RAMS, OUTSIDE CHOKE MANIFOLD VALVES, 250 / 5000.
TEST # 3 FAILED WHILE TESTING IT APPEARED THAT TEST PLUG SEALS WERE LEAKING.

AT 00:30 TEST JOINT PUMPED UP, IT WAS NOT MADE UP COMPLETELY. ATTEMPTED TO FUNCTION PIPE RAMS AND RE-TEST PLUG NOTICED A SLOW LEAK-OFF. AFTER FURTHER INSPECTION DRILLER FOUND THAT THE DRILLERS SIDE PIPE RAM FAILED TO OPEN. TROUBLE SHOOT HYDRAULIC PUMPS AND ACCUMULATOR, NO TRAPPED AIR, ATTEMPTED TO SWAP HOSES WITH NO SUCCESS, RIG CREW WAS ABLE TO PRY THE RAM DOOR OPEN, BUT THERE WAS NO APPEARENT OBSTRUCTION THAT COULD BE SEEN WITH THE DOOR OPEN. BUT WHEN DOORS WERE OPENED AND RAM WAS ACTUATED HYDRAULIC FLUID WAS COMMING FROM QUICK DISCONNECT - AN INDICATION OF POSSIBLE PISTON SEAL; FAILIER OR QUICK DISCONNECT

RIG MANAGER CONTACTED HIS SUPERINTENDENT AND CAMERON.

THE PISTON SEAL KIT IS AVAILBE OUT OF OKLAHOMA AND SHOULD ARRIVE TODAY. RIG MANAGER CALLED H&P 344 AND LOCATED QUICK DISCONNECT FITTINGS.

THE RAM DOOR WAS CLOSED AND TESTING RESUMED ON THE REMAINDER OF EQUIPMENT WHILE WAITING ON PARTS AND SERVICE TECHNICIAN.

TEST # 4 BLIND RAMS, INSIDE 2"CHOKE MANIFOLD VALVES, 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 # 6 ANNULAR, 250 / 3100.

AT 04:00 RIG MANAGER CALLED H&P 344 AND LOCATED QUICK DISCONNECT FITTINGS. DAY LIGHT DRILLER INSTALLED THE FITTINGS AND THE HYDRAULIC ISSUE WAS RESOLVED AND RAMS ARE WORKING AS DESIGNED.

TEST # 7 TIW, 250 / 5000.

TEST # 8 MANUAL TOP DRIVE VALVE, 250 / 4000.

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

TEST # 10 DART VALVE 250 / 5000.

MAKE UP 7 7/8" PRODUCTION BIT AND PICK UP PRODUCTION B.H.A. , TRIP IN HOLE TESTING M.W.D. @ 100' AND MUD MOTOR PUMPING 300 GPM @ 300 PSI CONTINUE R.I.H., TAGGED CEMENT AT 3996'DRILLED SHOE TRACK + 10' OF NEW HOLE TO 4125'. PERFORM F.I.T. 427 PSI AT SURFACE 8.4 FLUID WEIGHT @ 4115 = 10.4 PPG. EQ.

DRILL 7-7/8" VERTICAL PRODUCTION HOLE TO TO 8220'

RUN SCHLUMBEREG OPEN HOLE LOGS TO BOTTOM AND LOG. LOGGERS DEPTH @ 8223'. SCHLUMBERGER OPEN HOLE LOGGING. DLST / HRLA / HNGS /CNL /GR + CALIPER.

RIH W/ 5-1/2' CASING 17# j55 LTC CASING TO 8220'.

1-FLOAT SHOE 8218.7-8220'

2-SHOE JOINT 8132.25-8218.7

1-FLOAT COLLAR 8131.1-8132.25

61-CASING JOINT(S) 5916.8-8131.1

1-DV TOOL 5914.6-5916.8

45-CASING JOINT(S) 4215.51-5914.6

1- POST DV TOOL 4198.7-4215.51

94-CASING JOINT(S) 4198.7-Surface

PUMP CEMENT 1ST STAGE:

20 BBL FRESH WATER / WG-19 GEL SPACER, 510 SKS (146 BBL) CEMENT SUPER H , 13.2 PPG, 1.61 YIELD, 7.83 GAL/SK, AT 5 BPM. AT 122 PSI. DROPPED THE PLUG AT 3:37 HRS AND DISPLACE WITH 70 BBLS 8.4 PPG FRESH WATER AT 6 BPM , FOLLOWED BY 119.0 BBLS MUD 8.6 PPG, AT 6 BPM AT 120 PSI SLOW DOWN TO 3 BPM LAST 10 BBL, 1100 PSI FINAL PRESSURE. BUMPED PLUG AT 4:15 HRS, WITH 1630 PSI (530 PSI OVER). HELD 5 MIN. FLOAT HOLDING. BLED BACK 1.5 BBLS. CIRCULATED 174 SACKS TO SURFACE.

PERFORM 2ND STAGE CEMENT JOB.

PUMP 20 BBLS GEL SPACER WG-19 + 570 SKS (163 BBL) CEMENT, 13.2 PPG, 1.61 YIELD, 7.82 GAL/SK, AT 8 BPM. DROPPED PLUG , DISPLACED WITH 50 BBLS 8.4 PPG FRESHWATER FOLLOW WITH 85 BBLS 8.4 MUD AT 8 BPM. AT 2700 PSI, PLUG DIDN'T BUMP, PUMPED 6 BBLS OVER, PLUG STILL FAILED TO BUMP,PUMPED 3 MORE BBLS WITH NO SUCCESS, BLED BACK 5 BBLS,CEMENT U-TUBBING WITH A CONSTANT FLOW FOR 5 BBL BLEED BACK DURATION, PUMPED 15 BBLS TOTAL OVER WITHOUT PLUG BUMP. AGREED ON ATTEMPTING TO PUMP OUT 1ST STAGE, WE STARTED AND PUMPED 1 MORE BBL AND BUMPED PLUG PRESSURED UP CLOSING THE D.V. TOOL,TOOL HELD. BUMPED PLUG AT 11:35 HRS TO 2700 PSI UP (1,900 PSI OVER), TO CLOSE DV TOOL. HOLD FOR 5 MIN. FLOAT HOLDING. BLED BACK 2.0 BBLS. DROP BOMB AT 11:45 AND LET IT GRAVITATE FOR 20 MIN.

PRESSURE UP TO 250 PSI, INFLATE PACKER, HOLD PRESSURE AND PRESSURE UP TO 500 PSI AND CONTINUE PUMPING TO 1560 PSI TO OPEN THE DV TOOL. PUMPED WITH RIG PUMP / WAITING FOR VACUUM TRUCKS TO RETURN BEFORE STARTING THIRD STAGE.

PUMP 140 BBL 8.6 PPG MUD AT 5 BPM AND CIRCULATE OUT 67 BBLS CEMENT (115 SKS) TO SURFACE.

PERFORM 3RD STAGE CEMENT JOB.

PUMP 20 BBLS GEL SPACER (WG-19) + 390 SKS (142 BBL) CEMENT, 12.4 PPG, 2.05 YIELD, 11.39 GAL/SK, AT 7 BPM AT 300 PSI. PUMP TAIL CEMENT 150 SKS (35.5 BBL) 14.8 PPG 1.33 YIELD, 5.81 GAL/SK, AT 5 BPM AT 320 PSI.

DROP PLUG AT 13:55 AND DISPLACE AT 5 BPM 700 PSI. WITH 98.0 BBL FRESH WATER. FINAL DISPLACEMENT PRESSURE 1020 PSI UP TO 2635 AT 3 BPM. BUMPED PLUG AT 14:10 HRS, AT 2635 PSI (1651 PSI OVER) AND CLOSE DV TOOL ABOVE POST. HELD 5 MIN. FLOATS HOLDING. BLED BACK 2.0 BBLS. CIRCULATED OUT 38 BBLS CEMENT (130 SKS) TO SURFACE HAVE FULL RETURNS AT ALL TIMES NO LOSSES.

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 @ 06:00 HRS. 12/22/10