Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED OMB NO. 1004-0135

Expires November 30, 2000

5. Lease Serial No

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SUNDRY NO	TICES AN	D REPORTS	ON	WELLS
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Do not use this form for proposals to drill or to re-enter an JUN 2 8 20

6	If Indian, Allottee or Tribe Name

abandoned well. Use Form 3160-3 (APD) for s	· · · · · · · · · · · · · · · · · · ·	
SUBMIT IN TRIPLICATE - Other instructions of	7. If Unit or CA/Agreement, Name and/or No.	
1 Type of Well X Oth Well Gas Well X Other 2. Name of Operator	Drilled Not Completed	8. Well Name and No. Cotton Draw Unit 96
OXY USA Inc.	16696	9. API Well No
	3b Phone No. (include area code)	30-025-37594
P.O. Box 50250, Midland, TX 79710-0250 4 Location of Well (Footage, Sec., T., R, M, or Survey Description)	432-685-5717	10. Field and Pool, or Exploratory Area Paduca Delaware
10 FSL 1150 FWL SWSW(M) Sec 15 T25S R32E		raduca Delaware /
20 101 1100 1111 OHOMAN, 000 10 1200 1012 V		11. County or Parish, State Lea NM
12. CHECK APPROPRIATE BOX(ES) TO INDIC	CATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
X Notice of Intent Acidize Alter Casing Casing Repair	Deepen Production Fracture Treat Reclamation New Construction Recomplete	
Final Abandonment Notice Change Plans Convert to Injection	X Plug and Abandon Temporarily	y Abandon
3. Describe Proposed or Completed Operation (clearly state all pertinent details If the proposal is to deepen directionally or recomplete horizontally, give sub Attach the Bond under which the work will be performed or provide the Bo following completion of the involved operations. If the operation results in a testing has been completed. Final Abandonment Notices shall be filed only determined that the final site is ready for final inspection)	osurface locations and measured and true vert and No. on file with BLM/BIA Required su a multuple completion or recompletion in a ne	tical depths of all pertinent markers and zones, bsequent reports shall be filed within 30 days ew interval, a Form 3160-4 shall be filed once
TD-4950' PBTD-4903'	RE	ECLAMATION PROCEDURE ATTACHED
9-5/8" 36# csg @ 840' w/ 500sx, 12-1/4" hole, TOC- 7" 23# csg @ 4950' DVT @ 3900' w/ 1400sx, 8-3/4" h	nole, TOC-Surf-Circ	
1. M&P 40sx cmt @ 4667- 4517' WOC-Tag 4284 ' 2. M&P 35sx cmt @ 3950-3810' WOC-Tag 3. M&P 30sx cmt @ 935- 790' WOC-Tag /200 ' (4. M&P 25sx cmt @ Surface	(Covers B/Salt) Covers T/Salt	
10# MLF between plugs		
' -	•	SEE ATTACHED FOR
		· ·
* Ground Level DHM Regained		CONDITIONS OF APPROVA
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	Title	
David Stewart	Regulatory Advisor	

Office

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable atto those rights in the subject lease which would entitle the applicant to conduct operations.

Approved by

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.

OXY USA Inc. - Proposed Cotton Draw Unit #96 API No. 30-025-37594

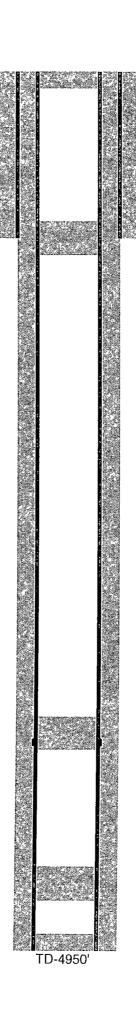
25sx @ Surface

30sx @ 935-790' WOC-Tag

35sx @ 3950-3810' WOC-Tag

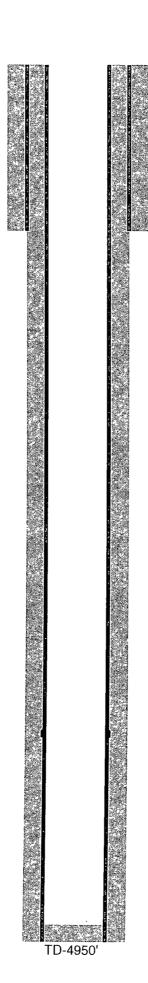
40sx @ 4667-4517' WOC-Tag

PB-49031



12-1/4" hole @ 840' 9-5/8" csg @ 840' w/ 500sx-TOC-Surf-Circ

8-3/4" hole @ 4950' 7" csg @ 4950' DVT @ 3900' 1st w/ 300sx-TOC-3895'-Circ 2nd w/ 1100sx-TOC-Surf-Circ OXY USA Inc. - Current Cotton Draw Unit #96 API No. 30-025-37594



12-1/4" hole @ 840' 9-5/8" csg @ 840' w/ 500sx-TOC-Surf-Circ

8-3/4" hole @ 4950' 7" csg @ 4950' DVT @ 3900' 1st w/ 300sx-TOC-3895'-Circ 2nd w/ 1100sx-TOC-Surf-Circ

PB-4903'

Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

Operator COBBS OCD

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

SUNDRY NOTICES AND REPORTS ON WELLS

JUN 28 2011

٠,	Lease Gerrai 140.
LC	-062300
6.	If Indian, Allottee or Tribe Name

Lease Serial No.

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
SUBMIT IN TRIPLICATE - Other in	7 7571 1 04/4
Type of Well X Oil Weil	Drilled Not Completed 8. Well Name and No. Cotton Draw Unit 96
3a. Address P.O. Box 50250, Midland, TX 79710-0250 4. Location of Well (Footage, Sec., T., R., M., or Survey Description 10 FSL 1150 FWL SWSW(M) Sec 15 T25S R32E	3b. Phone No. (include area code) 30-025-37594 432-685-5717 10. Field and Pool, or Exploratory Area
12. CHECK APPROPRIATE BOX(E	S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION
Subsequent Report Ca Final Abandonment Notice	cidize Deepen Production (Start/Resume) Water Shut-Off Iter Casing Fracture Treat Reclamation Well Integrity Ising Repair New Construction Recomplete Other Isange Plans Y Plug and Abandon Temporarily Abandon Invert to Injection Plug Back Water Disposal
If the proposal is to deepen directionally or recomplete horizon Attach the Bond under which the work will be performed or following completion of the involved operations. If the open	
1. /M&P 40sx @ 4667-4517' WOC-Tag 2. /M&P 35sx cmt @ 3950-3810' WOC-TWC- 3. M&P 30sx cmt @ 890-780' WOC-Tag 935 4. /M&P 25sx cmt @ Surface 10# MLF between plugs RECLAMATION PROCEDURE	

ATTACHED

I hereby certify that the foregoing is true and correct Title Name (Printed/Typed) Sr. Regulatory Analyst Date ∄HIS∕SPA¢É FOR FEDERAL OR STATE OFFI CE US Approved by Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant heids legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct of Friting the conduct of the co 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 of the United

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

OXY USA Inc.

NMLC-062300: Cotton Draw Unit #96

API: 30-025-37594 Lea County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

- 1. Tag at 4517' or shallower Otherwise OK (Delaware BOS)
- 2. WOC and tag at 3810' or shallower Otherwise OK (DV Tool)
- 3. Adjust plug to run from 935'-790' (minimum 25 sx). Tag at 790' or shallower Otherwise OK (TOS Casing Shoe)
- 4. Plug must be a minimum 60' in length. Verify cement to surface in all annuluses Otherwise OK (Surface)
- 5. Submit a subsequent report to the BLM.

See attached standard COAs.

DHW 111209

Form 3160-9 (December 1989)



HOBBS OCD

Number	AJM-069-11				
D					

UNITED STATES	JUN 2 8	3 2011
DEPARTMENT OF THE INTE	RIOR	- , ,
BUREAU OF LAND MANAGEN	MENT	
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Lease	NMLC062300
CA	
Unit	
PA	

Certified Mail - Return Receipt Requested	DEP	PARTMEN	NT OF	THE INT	ERIOR		IID	entification	
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Bureau of Land Management Office			Ор	erator	L1C A				
HOBBS II	NSPECTION OFFIC	CE	İ		xy USA Inc				
	WEST TAYLOR BBS NM 88240		Ad	dicaa	.O. Box 5025 Iidland, Tx.		0250	-	
Telephone 5	75.393 3612		Att	ention					
Inspector			Att	n Addr				 -	
Site Name	ASSENGILL Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County		Ictoro	
COTTON DRAW UNIT	96 W	SWSW 15	1	32E	NMP	County	I FA	• •	
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County		State	
THE FOLLOWING VIOLAT	TION WAS FOUND BY F	BUREAU OF LAN	D MANAGE	MENT INSPECT	ORS ON THE DA	TE AND A	T THE SITE LIS	TED ABOVE	
Date					lation	T		·	
Date	1 inte ((24 - hour clock)		V10.	iation		Gravity or	violation	
05/17/2011		08:30		43 CFR 3	3163.1 (a)		MINO	OR	
Conective Action To Be Completed By	Da	ite Corrected		Assessment for	Noncompliance		LEA State NM State THE SITE LISTED ABOVE Gravity of Violation MINOR Assessment Reference 43 CFR 3163.1() Date (5(1)) Language of the Management office at the Noncompliance") If you do 3163.1) and may also incur		
06/24/2011							43 CED 3	162 1/)	
00/2 1/2011		· · · · · · · · · · · · · · · · · · ·					43 01 10 3	1103.1()	
When violation is corrected, sign this not Company Representative Title	L. Aduisor	ress	Signature	De :		L	Date	(-((5))	
Company Comments well w		ed afte	- Jul	tent to	P&A ha	s hee		oved.	
									
Incidents of Noncompliance correct earlier Each violation must be corr address shown above Please note t not comply as noted above under "C Civil Penalties (43 CFR 3163 2) A	ected within the prescri hat you already may hav Corrective Action To Be	rames begin upor bed time from re- ve been assessed Completed By"	ceipt of this for noncome you may inc	this Notice or 7 b Notice and report pliance (see amoreur an additional	rted to the Burear unt under "Asses assessment unde	u of Land I sment for I r (43 CFR	Management offi Noncompliance" 3163 1) and may	ice at the) If you do	
Section 109(d)(1) of the Federal Oil Title 43 CFR 3163.2(f)(1), provides notices, affidavits, record, data, or oday such violation continues, not to	that any person who "k other written informatio	mowingly or will: n required by this	fully" nrena	res maintains or	r submits false i	naccurate	or misleading re	norts	
A person contesting a violation shal eccipt of the Incidents of Noncomp nterior Board of Lands Appeals, 80 Management office for further infor	liance with the appropri I North Quincy Street,	or review of the Ir	neidents of Nor (see 43 CF	R 3165 3). The	This request mus	view decis	ion may he anne	aled to the	
Signature of Bureau of Land Managemen	Authorized Officer					Date	Tin	ne	
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Number Da	te	Assessmer	nt	Pena	llty		Termination		
ype of Inspection									
PV									

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

J. Amos 3/6/11

Requirements for ground level dry hole markers Well Identification Markers Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

- 1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
- 2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum ¼ inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
- 3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
- 4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
 - a. First row: Operators name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include ½ ¼, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the ¼ ¼ (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To. 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of
 Operations must include adequate measures for stabilization and reclamation of disturbed lands.
 Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD
 process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Environmental Protection Specialist 575-234-5909, 575-361-2648 (Cell)

Terry Gregston Environmental Protection Specialist 575-234-5958

Bobby Ballard Environmental Protection Specialist 575-234-2230

Randy Rust Environmental Protection Specialist 575-234-5943

Linda Denniston Environmental Protection Specialist 575-234-5974

Jennifer Van Curen Environmental Protection Specialist 575-234-5905

Justin Frye Environmental Protection Specialist 575-234-5922 Cody Layton Natural Resource Specialist 575-234-5959

Trishia Bad Bear Natural Resource Specialist 575-393-3612

Todd Suter Surface Protection Specialist 575-234-5987

Doug Hoag Civil Engineering Technician 575-234-5979