

Form 3160-3
(April 2007)
HOBBS

AUG 29 2011

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator OXY USA Inc. 16696	
3a. Address P.O. Box 50250 Midland, TX 79710	3b. Phone No. (include area code) 432-685-5717
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2210 FWL 1675 FEL SWNE (G) Sec 10 T25S R32E	

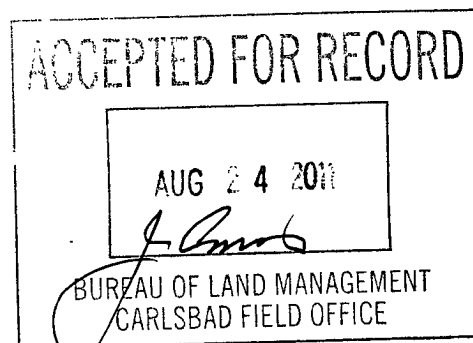
5. Lease Serial No. LC-061936
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. Cotton Draw Unit # 102
9. API Well No. 30-025-37598
10. Field and Pool, or Exploratory Area Paducah Delaware
11. County or Parish, State Lee, W Va

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 site is ready for final inspection.)

See Attached



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David Stewart		Title Regulatory Advisor
Signature <i>David Stewart</i>		Date 8/1/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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.	PETROLEUM ENGINEER Title Office <i>Koz</i>	Date AUG 30 2011
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Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

AUG 30 2011

4-13-2010, RUPU. ND FLANGE, NU BOP, UNLOADED 2.875" N-80 TBG. SDFN.

4-14-2010, TALLEY TBG. RIH W DRILL BHA AND TBG, TAG @ 3938', TEST TO 500 PSI (OK), DRILL CEMENT AND DV TOOL TO 3980'. CIRCULATE CLEAN. SDFN

4-15-2010, PRESSURE TEST 500 PSI(GOOD) RIH AND TAG 4950' (CEMENT) DRILLED TO 4955' (STARTED GETTING ALLUMINUM SHAVINGS)(PBTB REPORTED AT 4960'), CIRC HOLE CLEAN, DISPLACE WITH 2% KCL WATER. POOH STANDING BACK, LAID DOWN DRILL BHA. RU SLB. PERFORM CBL/CCL/GR (ESTIMATED TOP OF CEMENT-SURFACE). SDFN

4/19/10 CSG 250# TBG 0 BLEED OFF PSI. PRESSURE TEST CASING & PACKER TO 500# TESTED GOOD. PERF 6 SPF @ 4760-4765' (EHD OF .48", PENETRATION OF 51.7"). ND BOP, FLANGE UP WELLHEAD. RU HALLIBURTON, BROKE FORMATION @ 1920#. PUMPED 1200 GLS 7 1/2% AS ACID @ RATE OF 4.0 BPM @ 1100#. ISIP-745#, 5 MIN - 646#, 10 MIN - 610#, 15 MIN - 589#. RD HALLIBURTON. SDFN

4/20/10 RU SWAB UNIT # 500 TBG 120# PSI CSG 0# PSI. BLEED OFF PSI FLUID LEVEL 4575' MADE 9 RUNS, RECOVERED 22 BBLs ALL WATER. 500' FLUID ENTRY EVERY 15 MIN. LEFT FLUID LEVEL @ 4700'

2-11-11, Rig anchors did not have tags, WO Permian Anchors one hour, MI Permian anchors and test anchors, good, MI RWI w/ rig mat, held safety mtg, MIRU, SD

2-12-11, SICP-190#, SITP-440#, held safety mtg, bleed down well, pump 10 bbls down TBG and caught pressure, pump 0.5 bbls down CSG and pressured up, TBG on slight vacuum, ND WH, NU BOP, unset PKR, LD four jts and had a little gas bubble, CIRC'd well w/ 2%, POOH LD TBG & PKR, LD total of 149 jts 2 7/8" N-80 on racks, went to nipple up frac stack and SWECO brought wrong bolts, will bring out bolts Monday morning, will have roustabout install frac stack, NU hanger flange & install gate valve, RDSU, clean location, SD

2-21-11 WAIT 4 HRS FOR BOPE, ND FRAC STACK & NU BOPE, PU ARROW SET X1 PKR & TIH W/ 145- JTS 2 7/8" N80 TBG. SET PKR @ 4732' (SET IN COMP). LOAD BS & TEST TO 1000 PSI. TESTED GOOD, ND BOPE & NU WELL HEAD LOAD & TEST BS & WELL HEAD TO 1000 PSI (TESTED GOOD).

3-1-11 MIRU HALIBURTON FRAC CREW. FRAC THE UPPER RAMSEY. PERFS 4760 - 4765 (6-SPF). WITH 25,000#'S 20/40 CRC SAND AS FOLLOWS:

STAGE-1 PMP 1004 GALS PRE-PAD @ AVG PRESS- 2532, AVG RATE- 9 BPM

STAGE-2 PMP 8022 GALS PAD @ AVG PRESS- 3316, AVG RATE- 16.4 BPM

STAGE-3 PMP 1003 GALS 1 PPG 20/40 SAND @ AVG PRESS- 3705, AVG RATE- 22.9 BPM

STAGE-4 PMP 2007 GALS 2 PPG 20/40 SAND @ AVG PRESS- 3604, AVG RATE- 17.6 BPM.

STAGE-5 PMP 2004 GALS 4 PPG 20/40 SAND @ AVG PRESS- 3543, AVG RATE- 14.6 BPM.

STAGE-6 PMP 2203 GALS 6PPG 20/40 SAND @ AVG PRESS- 3856, AVG RATE- 16.3 BPM

STAGE-7 PMP 1188 GALS FLUSH @ AVG PRESS- 3063, AVG RATE- 19.7 BPM.

INITIAL BREAKDOWN @ 1532 PSI, MAX TREAT PRESS- 4161, AVG TREAT PRESS- 3457, MAX RATE 25.5 BPM, AVG RATE- 16.2, ISIP- 771, 5M- 670, 10M- 631, 15M- 608. CLOSE WELL IN & SECURE RD HALIBURTON. 415 BBL LOAD TO RECOVER.

3-3-11 CITP - 0 PSI, OPEN WELL TOH W/ 2 7/8" TBG LAY DOWN NOTCHED COLLAR. WAIT 2 HRS FOR BAILER TIH W/ BAILER TAG UP @ 4795, BAILED TO 4815 BAILER STOPPED STROKING. TOH W/ BAILER (SOMETHING ON THE INSIDE HAS COME APART.) WILL RUN NEW BAILER IN THE MORN.

3-4-11 CITP- 0 PSI, CICP- 0 PSI, TIH W/ BAILER & 2 7/8" TBG, TAG @ 4815, BAILED TO 4915 STOPPED MAKING HOLE. TOH W/ TBG & LD BAILER. TIH W/ 2 7/8" MA W/ BP, 1- 2 7/8" 12-SLOTT TBG SS, 1- 2 7/8" Std. SN, 4-JTS 2 7/8" TK99, 2 7/8" X 5 1/2" TAC, 2-JTS 2 7/8" TK99, 1- 2 7/8" X 4' MARKER S., 140- JTS 2 7/8" L80 TBG. ND BOPE SET TAC W/ 14 PTS TENSION, NU WELL HEAD & PREP TO RUN PMP & RODS IN MORNING.

3-5-11 TIH W/ 2 1/2" X 1 1/2" X 24' PUMP W/ 25' DIP TUBE, 4- 1 1/2" SB, 113- 3/4" "D" RODS, 72- 7/8" "D" RODS, 20' 7/8" "D" PONY RODS, SPACE OUT, LOAD TBG & LONGSTROKE PUMPING GOOD. SI WO FLOWLINE.

BLM COPY

Number AJM-098-11

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Receipt Requested
70090820000144021141☐ Hand Delivered Received
byUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
IID	
Lease	NMLC061936
CA	
Unit	
PA	

Bureau of Land Management Office HOBBS INSPECTION OFFICE		Operator Oxy USA Inc.	
Address 414 WEST TAYLOR HOBBS NM 88240		Address Attn: Tammy Hobbs 1502 W. Commerce Drive Carlsbad, NM 88220	
Telephone 575.393.3612		Attention	
Inspector MASSENGILL		Attn Addr	

Site Name COTTON DRAW UNIT	Well or Facility 102	1/4 1/4 Section SWNE 10	Township 25S	Range 32E	Meridian NMP	County LEA	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
06/20/2011	10:00	43 CFR 3162 4-1	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
07/27/2011			43 CFR 3163.1()

Remarks

Failure to submit subsequent report of when production resumed for the Cotton Draw #102.
Submit on a Sundry Notice (3160-5), to this office notification of the date production resumed.
Failure to comply will result in a monetary assessment.

When violation is corrected, sign this notice and return to above address

Company Representative Title Reg. Advisor Signature [Signature] Date 6/1/11
Company Comments See attached for 3160-4, 3160-5.

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information

Signature of Bureau of Land Management Authorized Officer [Signature] Date 6-20-11 Time 1025

FOR OFFICE USE ONLY

Number 51	Date	Assessment	Penalty	Termination
Type of Inspection RV				