Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD
AUG 01 2013
RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-24971

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: MARG-B

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number #1

2. Name of Operator: OXY USA INC

9. OGRID Number: 16696

3. Address of Operator: PO BOX 4294; HOUSTON, TX 77210

10. Pool name or Wildcat: FLYING M S ATOKA GAS (76720)

4. Well Location
Unit Letter C : 660 feet from the FNL line and 2130 feet from the FWL line
Section 36 Township 9S Range 32E NMPM LEA County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER: REPAIR CASING LEAK ☒	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

OXY USA INC respectfully reports that we have completed our attempt to repair the casing. As per Maxey Brown at the NMOCD (at 10:37 AM) and discussed all of the issues we had finding a casing leak. He said as long as we report all of our efforts and steps taken we will be fine to put the well back on production. We just need to monitor pressure by a relief valve or find some other way to keep the pressure low enough for safe operations

For additional information, please see the attached daily operations summaries. If you have any questions or need additional information, please feel free to contact us at any time.

RECEIVED
JUL 19 2013
NMOCD ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jennifer Duarte TITLE REGULATORY SPECIALIST DATE 07/18/2013

Type or print name JENNFER DUARTE E-mail address: jennifer_duarte@oxy.com PHONE: 713-513-6640

For State Use Only

APPROVED BY: TITLE Dist. Mgr DATE 9-19-2013

Conditions of Approval (if any):

SEP 19 2013

Marg B Com 1 Casing Repair: 6/21-7/16

6/21/13 Well was shut in. ITP-200 psi ICP-850 psi. Bled well off. Tested casing to 500 psi while we waited on wireline to arrive on location. Casing pressure increased. RU Renegade Wireline. RIH w/1.87 profile plug and plug got caught up @ 300'. Could not get plug past 300'. POOH w/plug and plug was full of paraffin. RD wireline. Secured well and SION.

6/25/13 Moved rig from Gov't AG #1 to location. Spotted rig, pipe racks and catwalk. RU reverse unit. Secured well and SION. 6/26--ND wellhead NU BOP. POOH laying down all tubing.

6/26/13 ITP-950 psi ICP-600 psi. Bled well off. Pumped 30 bbls down tubing and put tubing on vacuum. Mechanic on location to change hydraulic pump out. RU pulling unit. ND wellhead. Could not unlatch seal assembly from permanent packer. NU BOP. RU floor, tongs and guard rails.Secured well and SION.

6/27/13 Crew travel to location. Bled well off. Pumped 25 bbls down tubing. Tubing plugged up. RU swivel. Worked tubing trying to unlatch seal assembly from packer. Could not unlatch seal assembly. RD swivel. Secured well and SION.

6/28/13 Crew travel to location. Spotted frac tank and blowdown tank. Cleaned rig & equipment. SION.

6/29/13 Crew travel to location. Cudd did not arrive till noon. RU Cudd and hot oiler. RIH w/1 7/8" jet nozzle on 1 1/4" coil to 10,524. Once on bottom, we circulated 60 bbls xylene to surface. POOH & rigged down coil tubing unit. Secured well and SION.

7/01/13 Crew travel to location. RU swivel. Worked stuck tubing trying to free it up. Could not free tubing. RU Renegade Wireline. RIH w/sinker bar and collar location as guage ring run. POOH. RIH w/free point tool. Had movement in 2' sub above packer. Showed no movement @ packer. POOH & RD wireline. Secured well and SION.

7/02/13 Marg B #1 Nabors 623 Luciano Frausto Daily $ 19,335 Total $ 137,542 Crew travel to location. RU swivel. Worked stuck tubing trying to free it up. Could not free tubing. RU Renegade Wireline. RIH w/gauge ring to packer @ 10,512. POOH. RIH w/8' string shot. Shot string across 4' sub above packer. Backed tubing off @ 4' sub. RD wireline. Secured well and SION. 7/3/13--POOH scanning tubing.

7/03/13 Crew travel to location. RU Hydrostatic tubing scanners. POOH scanning tubing. Hadd 166 yellow, 143 blue, 27 green & 4 red. Found and will have to replace 15- 2 3/8 tubing collars due to pitting. RD scanners. RIH w/20 jts kill string. Secured well and SION. 7/05/13--RUN Casing Inspection log.

7/05/13 Crew travel to location. RU Renegade Wireline. RIH w/logging tool to 10,500. Logging tool got stuck on packer. Worked tool till line on cable head broke. POOH. Renegade had run wrong wireline tool. Had monologue tool rather than Casing inspection log tool. RIH w/wireline fishing tool

but could not fish out logging tool. POOH. RIH w/casing inspection log tool and logged well to surface. Found some holes around 10,000'. POOH and RD Renegade. Secured well and SION.

7/08/13 Crew travel to location. Bled well off. PU & RIH w/4 11/16 overshot w/1 7/16" grapple, 3 3/4 bumper sub and 2 3/8 tubing to 10,480. Latched onto logging tools. POOH w/2 3/8 tubing and layed down fishing tools w/logging tools in grapple. Secured well and SION.

7/10/13 Crew travel to location. ITP-100 psi. ICP-350 psi. Bled well off. Put 500 psi on casing & 500 on tubing. Both sides held good for 30 min. Released packer. Tested casing from RBP to surface 1000 psi. Casing held good. Released RBP & tried to set RBP from 10,495 to 10,460 & RBP would not set. Set packer @ 10,455. Tested casing from 500 psi and casing held. Released pressure from casing. Secured well and SION. 7/11/13--Cont isolating casing leak.

7/11/13 Crew travel to location. Well did not build any pressure on tubing or casing overnight. Tubing was on vacuum. Released packer. RIH & latched on to RBP. Released RBP. POOH w/tubing and packer. Lost RBP as POOH. L/D packer. RIH w/retrieving head and tubing. Latched onto RBP. POOH w/40 stands. Secured well and SION.

7/12/13 Crew travel to location. POOH w/tubing and layed down RBP. RIH w/5 1/2 Arrowset 1X packer w/1.87 profile nipple, on/off tool & 330 jts to 10,217. Set packer. Loaded and tested casing to 500 psi. Casing held. Got off of on/off tool. Displaced well w/10# brine packer fluid. Latched onto packer. Tested casing to 500 psi. Held good. Secured well and SION.

7/15/13 Crew travel to location. ITP-0 psi ICP- 500 psi. We had left no pressure on well over wknd. Bled casing off. Watched casing for 30 min and casing pressured up to 500 psi. Bled casing off again and pressured built up to 500 psi in 30 min. Pressured casing up to 1000 psi. Casing bled down to 650 psi in 30 min. Left 500 psi on casing. Secured well and SION.

7/16/13 Crew travel to location. Casing had 650 psi & no pressure on tubing. Waited on orders. RD floor, tongs and guard rails. ND BOP. NU wellhead. Connected flowline. RD pulling unit and cleaned location. Did not have driver to move rig to next location.