

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

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.

5. Lease Serial No. NMNM2379

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

HOBBS OCD JUL 14 2014 RECEIVED

1. Type of Well [X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No. COVINGTON A FEDERAL 18

2. Name of Operator OXY USA INCORPORATED Contact: JENNIFER A DUARTE E-Mail: jennifer\_duarte@oxy.com

9. API Well No. 30-025-32037-00-S2

3a. Address HOUSTON, TX 77210-4294

3b. Phone No. (include area code) Ph: 713-513-6640

10. Field and Pool, or Exploratory RED TANK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T22S R32E NWNE 330FNL 1980FEL 32.369048 N Lat, 103.643400 W Lon

11. County or Parish, and State LEA COUNTY, NM

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

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 site is ready for final inspection.)

Trailer Mounted Portable LACT Unit OXY USA INC respectfully requests to install a temporary portable LACT with a 3? Micro Motion Coriolis Meter located at the Covington A-Federal #18. Please see below for additional details. Trailer Mounted LACT will be proved and verified on the first load of oil measured from the Covington A Federal #18 location. Upon completion, test results and meter factor (Proving Report) will be submitted to the BLM for review. 3" Flow Meter max rate 1300 bbl/hr Serial # 14260661 CMF300M355NRAUEZZZ 3" Micro Motion Elite Sensor 316SS, 3" 150# WNRF flange end connections, standard Pressure containment, 9-wire epoxy painted J box, 2" conduit connections

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #249176 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by CATHY QUEEN on 06/12/2014 (14CQ0049SE)

Name (Printed/Typed) JENNIFER A DUARTE

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 06/11/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK Title EPS Date 07/08/2014

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 Hobbs

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.

\*\* BLM REVISED \*\*

Handwritten signature and date: MJB / OCD 7/14/2014

JUL 15 2014

**Additional data for EC transaction #249176 that would not fit on the form**

**32. Additional remarks, continued**

2700C12ABUEAZX Serial # 3196901  
Micro Motion Coriolis MVD multivariable flow and  
Density transmitter, 9 wire remote transmitter with  
Integral core processor, 18-30 VDC and 85-235 VAC  
Self switching, dual line display, one MA, one frequency,  
RS485, UL Listed, English Quick Reference, W/API software

**Temporary Portable Coriolis Meter  
Conditions of Approval  
Covington A Federal #18 3002532037  
NM2379 / Sec. 26 NWNE, T22S, R32E**

1. Approval is for meter number CMF300M355NRAUEZZZ – Serial No. 14260661 and transmitter number 2700C12ABUEAZX- Serial No. 3196901. Provide beginning totalizer reading prior to first load of oil being sold through meter.
2. The Coriolis meter shall be designed, installed and operated in accordance with all applicable API standards, including API 5.6, as may be amended or revised from time to time.
3. The metering facility shall include a temperature probe to monitor the actual oil temperature during custody transfer. This information will be recorded and used in calculating the volume of oil metered during each transaction.
4. The meter shall have a non-resettable totalizer.
5. The custody transfer meter shall be proven during the first load of oil measured from the Speak Easy Federal Unit 2H and in conformance with Onshore Oil and Gas Order No. 4.III.D. The meter proving is to be *witnessed by BLM, contact 575-393-3612; a minimum of 24 hours prior to meter proving*. Meter proving records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.
6. A copy of the monthly meter proving will be submitted to the appropriate BLM office within 30 days of proving.
7. The run ticket associated with each oil transfer shall include the measured or calculated BS&W, oil gravity, temperature recorded during the transfer and beginning & ending totalizer readings. Such records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.
8. A copy of run ticket shall be submitted to the appropriate BLM office within 30 days of ticket generation and will be made available for audit upon request.
9. Operator to maintain tank gauging data to be used as a comparison with the LACT meter readings.
10. All other provisions of the Onshore Oil and Gas Orders, especially No. 3 and No. 4 shall be met.
11. This approval may be subject to future review and if determined inadequate with regards to accurate measurement, the approval will be withdrawn.