

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

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		5. Lease Serial No. NMNM98191
2. Name of Operator OXY USA INCORPORATED Contact: DAVID STEWART E-Mail: david_stewart@oxy.com		6. If Indian, Allottee or Tribe Name
3a. Address HOUSTON, TX 77210-4294	3b. Phone No. (include area code) Ph: 432.685.5717 Fax: 432.685.5742	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T23S R32E SWSE 330FSL 2310FEL		8. Well Name and No. ARACANGA FEDERAL 01
		9. API Well No. 30-025-31650-00-S2
		10. Field and Pool, or Exploratory WILDCAT
		11. County or Parish, and State LEA COUNTY, NM

AUG 25 2014

RECEIVED

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input 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 checked="" type="checkbox"/> Other Workover Operations
	<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.)

Aracanga Federal #1 - 30-025-31650 - SWD-796

- Clean location, set and test anchors.
- Check location for hazardous conditions.
- SI well 2 days before operations commence.
- Flow well back to decrease tubing pressure.
- MIRU WO rig. ND WH, NU BOP.
- POOH with tubing & packer.
- TIH with bit and scraper and C/O to PBTD.
- RIH w/RBP and set at 5655' and dump 2 sacks of sand. Pressure test csg to 4000psi for 30 min.
- Spot acid from 5350-5555'. POOH. RU WLU and RIH and perforate using 3-1/8", 22.7gm expendable guns, 2 SPF @ 5363-5382, 5400-5450, 5495-5508, 5555-5562'. Correlate using CBL dated 8-5-2000:

BLM will not approve a fracture treatment for an SWD, step rate test is not valid after fracture treatments.

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

Electronic Submission #247080 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Hobbs

Committed to AFMSS for processing by LINDA JIMENEZ on 06/10/2014 (14LJ0236SE)

Name (Printed/Typed) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 05/27/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **DENIED**

WESLEY INGRAM
Title PETROLEUM ENGINEER

Date 08/20/2014

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

Handwritten signature

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 **

AUG 27 2014

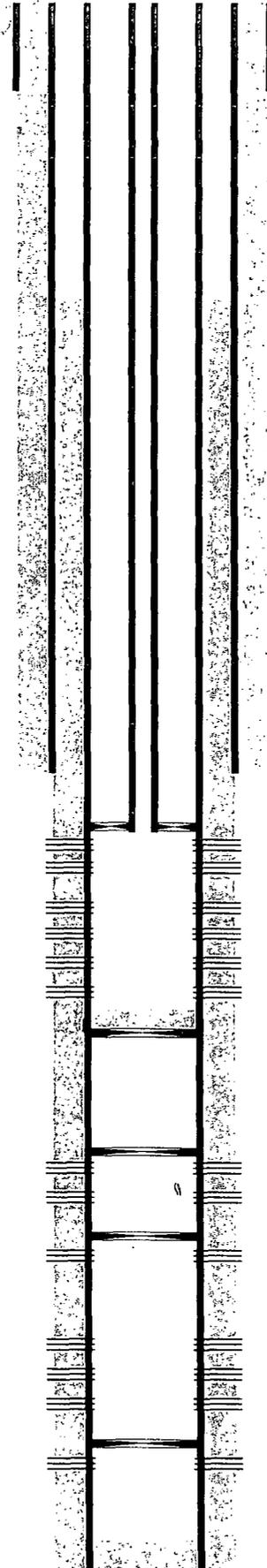
Handwritten initials

Additional data for EC transaction #247080 that would not fit on the form

32. Additional remarks, continued

10. Break-down perforations and establish injection rate at 4000 psi. Pump 50 bbls of water to over-displace acid.
11. RDMO work-over rig.
12. Install frac valve.
13. Frac Stage 1 w/ approximately 3000g Treated Wtr + 2500g 18# Linear Gel + 72000g 18# XL Gel w/ 19500# sand staying under 4000 psi. RUWL and set CBP at +/-5290'.
14. Perforate for Stage 2 per below using 3-1/8", 22.7gm expendable guns, 2 SPF @ 4884-4897, 4946-4977, 5027-5053, 5066-5093?. Correlate using CBL dated 8-5-2000.
15. Break-down well then pump 1000 gal. 15% NE acid spear; then frac Stage 2 1 w/ approximately 3000g Treated Wtr + 2500g 18# Linear Gel + 72000g 18# XL Gel w/ 19500# sand staying under 4000 psi.
16. SI frac valve and RD frac equipment.
17. MIRU WO rig. Remove frac valve and NU BOP. TIH with bit and scraper and drill CBP and clean out well to above RBP. TOH.
18. TIH with retrieving tool and retrieve RBP.
19. PU and RIH w/ packer and injection tubing BHA per Lift Specialist instructions and set packer at +/-4800'.
20. Test the back side of the tubing to approx. 1,000 psi to confirm packer, on/ off tool and tubing integrity.
21. ND BOP and NUWH. Retest annulus to 1000 psi. RDMO workover unti.
22. Place well on injection and report results to engineer.
23. Perform step rate test.

OXY USA Inc. - Proposed
Aracanga Federal #1
API No. 30-025-31650



17-1/2" hole @ 365'
13-3/8" csg @ 365'
w/ 350sx-TOC-Surf-Circ

2-7/8" tbg & pkr @ 4800'

12-1/4" hole @ 4532'
8-5/8" csg @ 4532'
w/ 2180sx-TOC-Surf-Circ

Perfs @ 4884-5093'

CIBP @ 6021' w/ 35' cmt - PB-5986'

Perfs @ 5363-5562'

Perfs @ 5700-5886'

CIBP @ 6814' w/ 35' cmt - PB-6779'

Perfs @ 6919-7014'

CIBP @ 7350'

Perfs @ 7409-7428'

Perfs @ 7882-7428'

Perfs @ 8047-8059'

Perfs @ 8302-8314'

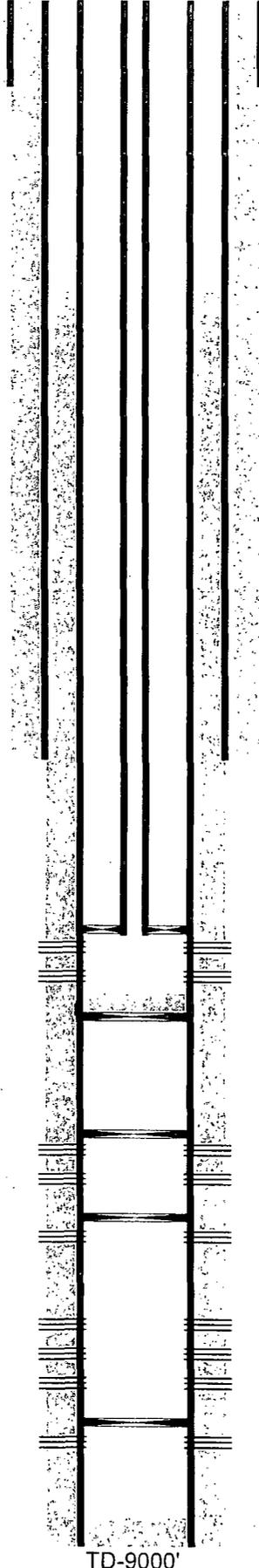
CIBP @ 8500'

Perfs @ 8596-8615'

7-7/8" hole @ 9000'
5-1/2" csg @ 9000'
DVT @ 6006'
w/ 1685sx-TOC-2022'-CBL

TD-9000'

OXY USA Inc. - Current
Aracanga Federal #1
API No. 30-025-31650



17-1/2" hole @ 365'
13-3/8" csg @ 365'
w/ 350sx-TOC-Surf-Circ

12-1/4" hole @ 4532'
8-5/8" csg @ 4532'
w/ 2180sx-TOC-Surf-Circ

2-7/8" tbg & pkr @ 5649'

Perfs @ 5700-5886'

CIBP @ 6021' w/ 35' cmt - PB-5986'

CIBP @ 6814' w/ 35' cmt - PB-6779'

Perfs @ 6919-7014'

CIBP @ 7350'

Perfs @ 7409-7428'

Perfs @ 7882-7428'

Perfs @ 8047-8059'

Perfs @ 8302-8314'

CIBP @ 8500'

Perfs @ 8596-8615'

7-7/8" hole @ 9000'
5-1/2" csg @ 9000'
DVT @ 6006'
w/ 1685sx-TOC-2022'-CBL

TD-9000'



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-796

APPLICATION OF POGO PRODUCING COMPANY FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Pogo Producing Company made application to the New Mexico Oil Conservation Division on February 5, 2001, for permission to complete for salt water disposal its Aracanga Federal Well No. 1 (API No. 30-025-31650) located 330 feet from the South line and 2310 feet from the East line (Unit O) of Section 4, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

Pogo Producing Company is hereby authorized to complete its Aracanga Federal Well No. 1 (API No. 30-025-31650) located 330 feet from the South line and 2310 feet from the East line (Unit O) of Section 4, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Delaware formation from approximately 4,884 feet to 5,886 feet through a 7.8 inch plastic-lined tubing set in a packer located at approximately 4,785 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the operator shall set a CIBP with cement on top within 100 feet of the bottom injection perforations in the Aracanga Federal Well No. 1.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 977 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Delaware formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-120-A, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

Administrative Order SWD-796

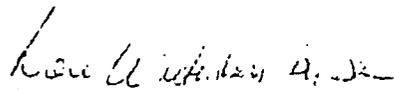
Pogo Producing Company

April 18, 2001

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The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well. provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 18th day of April, 2001.



LORI WROTENBERY, Director

LW.DRC

cc: Oil Conservation Division - Hobbs
Bureau of Land Management-Carlsbad