

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.
NMNM106695

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.
NMNM126140A

1. Type of Well
 Oil Well Gas Well Other

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8. Well Name and No.
SPEAK EASY UNIT 2H ✓

2. Name of Operator
OXY USA INCORPORATED ✓
Contact: JENNIFER A DUARTE
E-Mail: jennifer_duarte@oxy.com

9. API Well No.
30-025-40306-00-S1 ✓

3a. Address
HOUSTON, TX 77210-4294

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

10. Field and Pool, or Exploratory
BOOTLEG RIDGE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 1 T22S R32E NWSW 1800FSL 330FWL ✓

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

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 Onshore Order Variance
	<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 recompletable 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 recompletable 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.)

OXY USA INC requests permission to install a Vapor Combustor Unit (VCU) at SPEAK EASY FEDERAL Central Tank Battery. This request is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. OXY USA INC understands that the following conditions apply:

- OXY USA INC may be required to provide economic justification and provide volume verification to the Authorized Officer upon request.
- OXY USA INC will comply with NTL-4A requirements.
- If volume being combusted is less than 50 MCF of gas per day, it is considered ?unavoidably lost?, therefore, no royalty obligation shall be accrued and will not be required to be reported.
 - ?Unavoidably Lost? production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.
- Essentially all measured combusted volumes over 50 MCF will require payment of royalties and

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

**Electronic Submission #321711 verified by the BLM Well Information System
For OXY USA INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by LINDA JIMENEZ on 11/13/2015 (16LJ0202SE)**

Name (Printed/Typed) JENNIFER A DUARTE	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 10/27/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>TECHNICAL LPET</u>	Date <u>01/04/2016</u>
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 <u>Hobbs</u>

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 ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

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Additional data for EC transaction #321711 that would not fit on the form

32. Additional remarks, continued

volumes need to be reported on OGOR ?B? reports as disposition code ?08?.

5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.I.1, site facility diagram must be submitted within 60 days of equipment installation.

6. This approval does not authorize any additional surface disturbance.

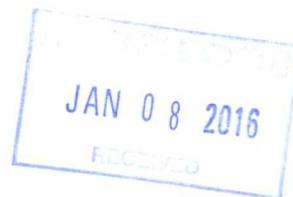
7. Subject to like approval from NMOCD.

Attached are the following:

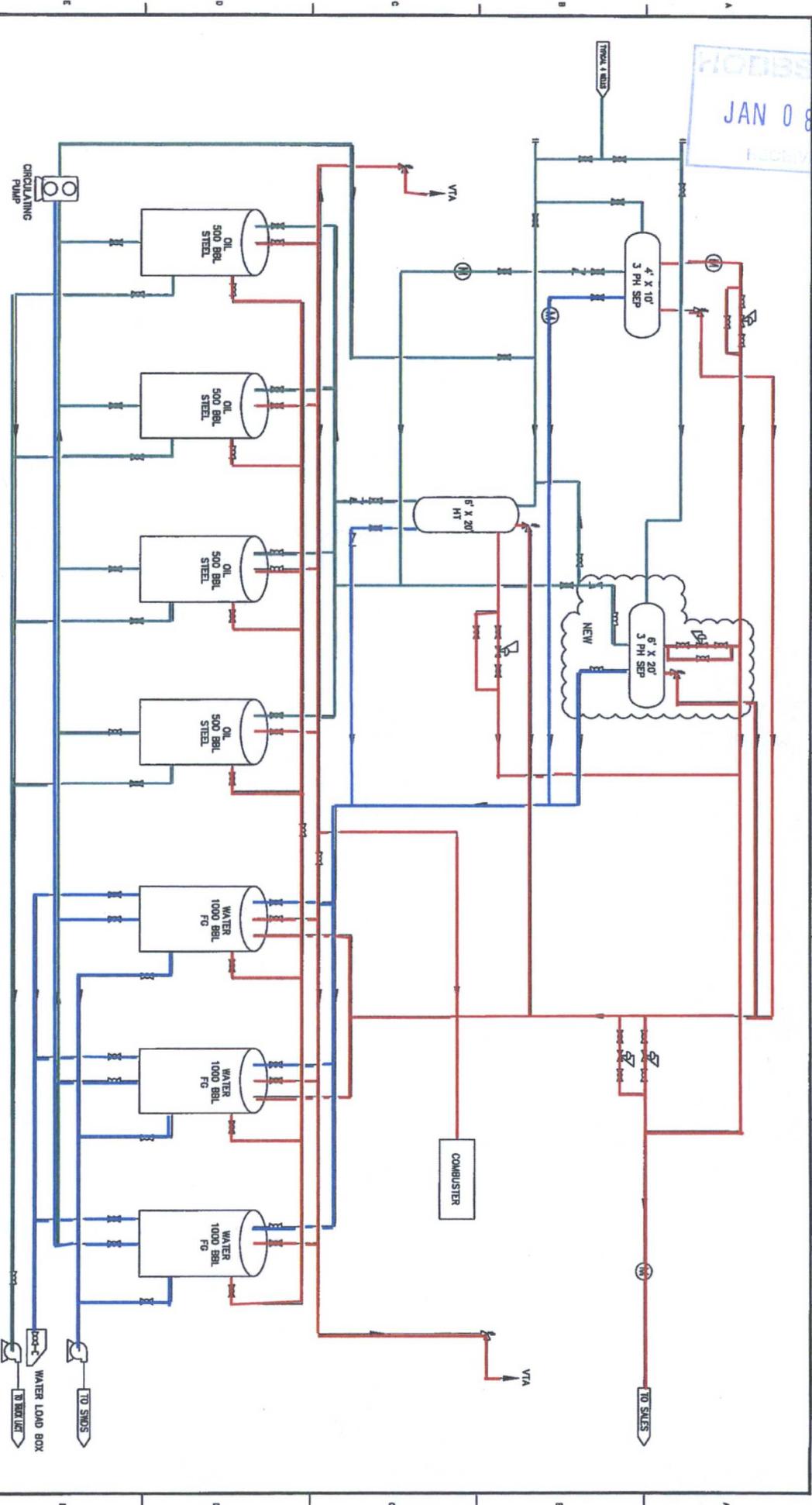
? Site security diagram of the current tank battery as well as the location of the VCU and the manifold line connecting the tanks to the VCU.

? Specification sheet(s) for the VCU.

? Contact list of Company Field Representatives if access to VCU is needed to retrieve volumes being combusted



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NOTE:

NO.	DATE	DESCRIPTION	BY	CHK	APP.	DATE
0	04/18/15	ISSUED FOR CONSTRUCTION	LAB			04/17/15

NO.	DATE	DESCRIPTION	BY	CHK	APP.	DATE

NO.	DATE	DESCRIPTION	BY	CHK	APP.	DATE

NO.	DATE	DESCRIPTION	BY	CHK	APP.	DATE

Oxy USA Inc
 PERMIAN RESOURCES
 SOUTHEAST NEW MEXICO
 PROCESS FLOW DIAGRAM
 SPEARMEASY CTB UPGRADE
 SHEET NO. SENM-1180872-001-100
 REV 0

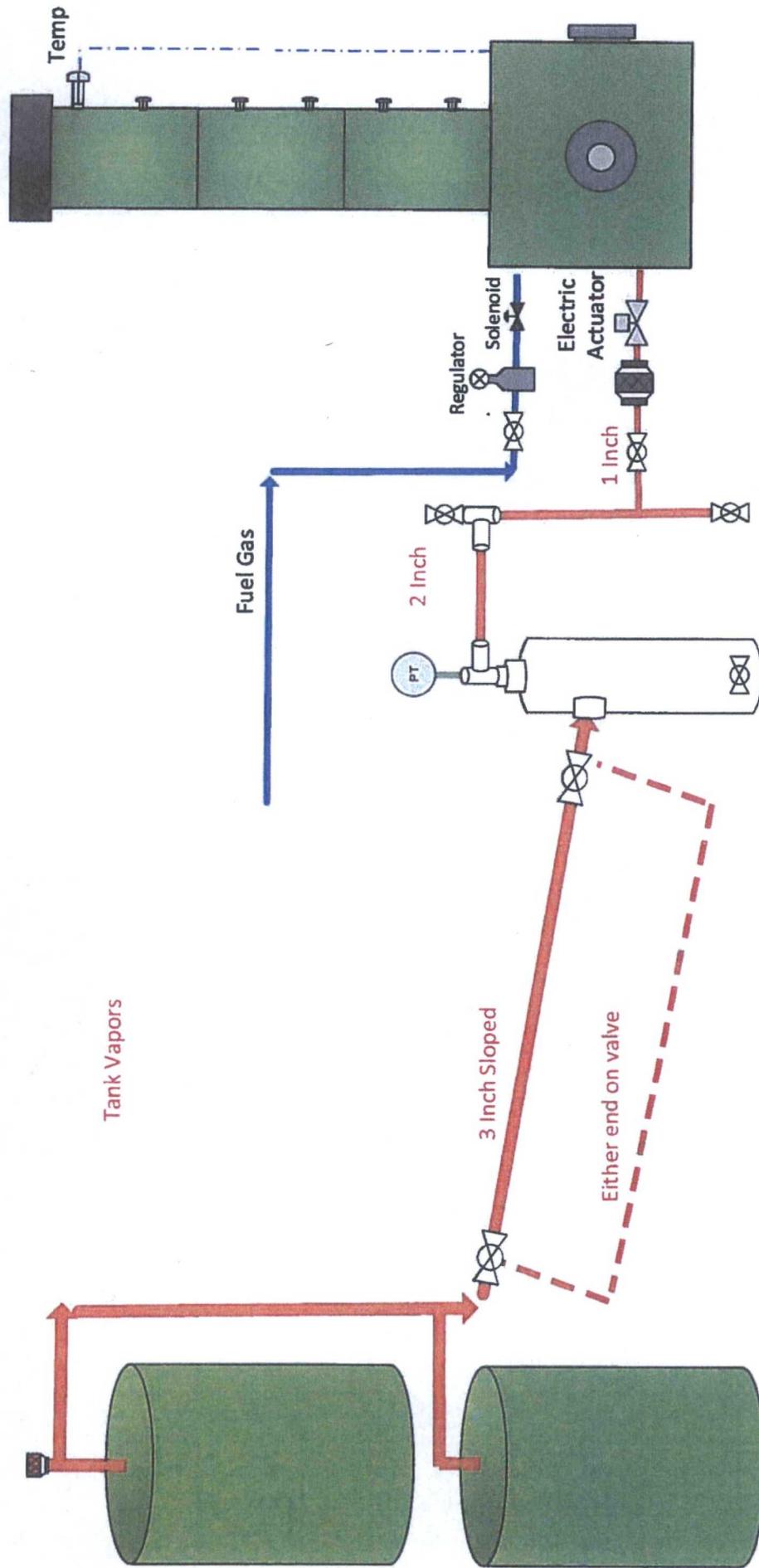


2105 Greenwood Dr.
Southlake Texas 76092
P 817-416-8881 F 817-416-8886
www.kimark.com

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Specifications:

Model Number	SmartFlare 28
Total Height	21 feet 10 inches
Flare Diameter	28 inches
Enrichment Gas?	No
Design Heat Release	1.25 MMBTU/hr
Destruction Efficiency	99.90%
Normal Operating Pressure	Ounces 0 to 16
Design Pressure	80 PSI
Max Design Temperature	1900 degree shutdown
Min Design Temperature	1200 degrees
Normal Operating Temp	1400 degrees
Pilot Volumetric Rate	8.5 to 12 SCF/hr
Pilot Continuous or Automatic?	Both - Software Selectable
Number of burner tips	1
Diameter of burner tips (inches)	2 inch



Scrubber Pot

Scrubber to be
Within 10 Feet of
Combustor

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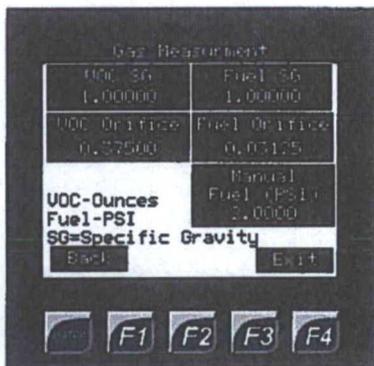
Kimark Systems, Inc.
 2105 Greenwood Dr.
 Southlake Texas 76092
 P 817-416-8881 F 817-416-8886
www.kimark.com

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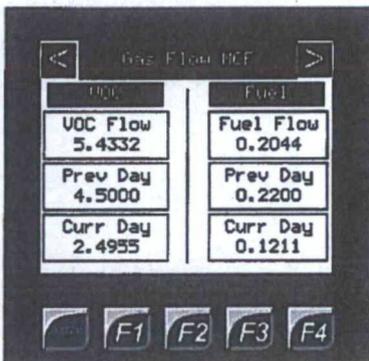
Occidental Oil & Gas

Trey Fournier
 03/18/2015

The Combustor gas flow is based on AGA Report No. 3 Part 2 and Part 3. (API 14.3 Part 3 and API 14.3 Part 2). The calculation is based on the mass flow through an Orifice, measuring the pressure with an atmospheric downstream.



Gas Measurement
 Enter Specific Gravity for VOC and Fuel.
 Enter Orifice size for VOC and Fuel.
 The "Manual Fuel (PSI) is for entering the pressure that the fuel is delivered at.



Totalization
 Instantaneous Flow
 Previous Day Flow
 Current Day Flow
 All are recorded for VOC and Fuel

Randy Allen
 Kimark Systems

For South Carlsbad:

Victor Guadian
575-628-4006 (office)
575-499-6406 (cell)

Terry Coor
575-628-4130 (office)
575-706-3306 (cell)

For North New Mexico:

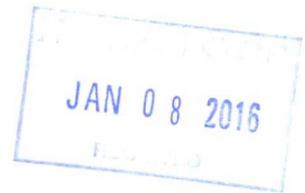
Don Kendrick
575-628-4132 (office)
575-602-1484 (cell)

Justin Bock
575-628-4003 (office)
575-575-706-4502 (cell)

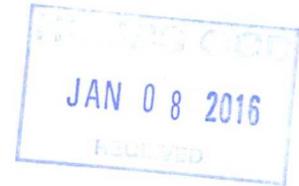
For Lea County:

Stan Shaver
575-397-8261 (office)
575-602-5509 (cell)

Tony Summers
575-397-8203 (office)
575-390-2319 (cell)



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



**CONDITIONS OF APPROVAL TO INSTALL
VAPOR COMBUSTOR UNIT (VCU)**

1. Comply with NTL-4A requirements.
2. If volume being combusted is less than 50 MCF of gas per day, it is considered "unavoidably lost", therefore, no royalty obligation shall be accrued.
 - a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released from storage tanks or other low-pressure vessels.
3. Combusted volumes over 50 MCF will require payment of royalties and volumes need to be reported on OGOR reports.
4. This approval does not authorize any additional surface disturbance.
5. Comply with any restrictions or regulation when on State or Fee surface.