

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS
RECEIVED

FORM APPROVED
OMB NO 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS JUL 08 2010

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

HOBBSOCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Occidental Permian Limited Partnership

157984

3a. Address

P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. (include area code)

432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980 FNL 1980 FWL SENW(F) Sec 15 T24S R37E

5. Lease Serial No.

LC032450B

6. If Indian, Allottee or Tribe Name

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

NM 71037 B

8. Well Name and No.

South Mattix Unit #4
Federal

9. API Well No.

30-025-11113

10. Field and Pool, or Exploratory Area
Fowler Upper Paddock (Gas)

11. County or Parish, State

Lea NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☒ Recomplete

☐ Other

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

☐ Convert to Injection

☐ Plug Back

☐ 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 recompleate 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 recompleation 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 final site is ready for final inspection.)

See attached for detail of work.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

Approved by

Title

PETROLEUM ENGINEER

Date

JUL 09 2010

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

/s/ Dustin Winkler

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make a false statement or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

South Mattix Unit Federal #4

Recompletion Procedure (1st Action– Test McKee) (2nd Action– Test Abo) (3rd Action – P&A)

Note: RDMO on March 15, 2010 after squeeze cmt:

- 1) Paddock perfs 4835 – 4895'
- 2) Previous squeeze perfs 4100 – 4800'
- 3) Devonian perfs 7240 – 7270'

Left cmt plug in csg across Devonian perfs.

Received approved TA permit valid through June 1, 2010.

1. MIRU workover unit. Hold safety meeting and job procedure review.
2. Unload 2 7/8" workstring (well has just a few jts of kill string).
3. RIH w/bit + DC + 2 7/8" workstring to top of cmt plug (appx 7240'). DO cmt plug (was 80 sks – est 15 sks squeezed into Devonian). Only CO well to 9675'.
4. Circ wellbore clean and POOH w/bit + DC + tbg.
5. RIH w/RBP + test pkr + tbg. Set RBP below squeezed Devonian perfs, appx 7350'. Pick up, set test pkr above squeezed Devonian perfs, appx 7175'.
6. Test squeezed Devonian perfs (7240 – 7270'), test to 500 psig.

Discuss results with WST Engr and Prod Engr before proceeding. May need to retest squeezed Upper Paddock perfs to 500 psig before proceeding.

7. RIH w/CIBP, set CIBP @ appx 9675'.
8. RIH w/test pkr + tbg. Set test pkr just above CIBP @ 9675', test CIBP to 5000 psig
9. Release test pkr, pick up and reset pkr @ appx 9000'. Pressure test csg 9000' to CIBP @ 9675' to 5000 psig
10. Release pkr, circ well with 2% KCL (McKee is sandy dolomite, water sensitive). POOH w/pkr + tbg.
11. MIRU wireline unit. RIH w/3 1/8" csg guns + CCL. Perforate McKee as below:

Zone	Perfs	Footage	Holes
McKee	9303 - 9318'	15	32
	9430 - 9460'	30	62
	Total New Perfs	45	94
	1. Shots include top and btm of each interval.		
Perf Specs:	2. 2 SPF, 90 degree phasing.		
	3. 3 1/8" csg gun, 16 - 19 gm charges.		

POOH with perforating gun + CCL + GR. RD wireline unit

12. RIH w/ 2 7/8" tbg (hydrotest to 5000 psig) + pkr, set pkr @ 9250'.
Do acid breakdown of perfs w/3000 gal mud acid, max 2 BPM, max 4000 psig.
Flow well back 1 – 2 hrs to tank.
Make 4 – 5 swab runs, record fluid levels + swab returns.
Shut in well appx 24 hrs.

13. MIRU slickline unit. RIH w/medium grade BHP bomb, check fluid gradients at 4000', 5000', 6000', 7000', 8000', 8500', 9000', 9200', 9400', 9500'. Pick up bomb to appx 9400' and do 2 hr SI BHP. POOH w/BHP bomb and RDMO slickline unit.
14. Swab test well again for 1 day.

Note: 1) Initial SITP.

2) FL at each swab run

3) Number of swab runs and top/btm depth of each run

4) Fluids recovered, appx oil cut, any gas blows.

Swab tests will determine if will proceed with McKee frac job or recomplete uphole to the Abo..

McKee Fracture Stimulation

15. POOH w/tbg and lay down 2 7/8" workstring.
16. Unload, rack, and tally 3 1/2" frac string.
17. RIH w/frac treating pkr + 3 1/2" frac tubing. Pressure test workstring to 6500 psig while RIH. Expect max frac pressure to be 5500 psig.
18. Set treating pkr @ appx 9200'. Wellbore + backside should have 2% KCL.
19. Test backside to 500 psig.
20. MIRU Halliburton for 2nd acid breakdown and sand frac of McKee. Sand frac McKee per design (85,000 lbs 20/40 mesh sand). Rec 1 bit run post-frac to check for sand fill.
21. RIH w/rod pump, set appx 9500' (depends on sand flowback). Well has 228–256-100 unit.
22. Notify SMU Lease Operator + Field Production Analyst to put well back on production.

Abo Recompletion (if McKee test is not successful)

24. If the McKee tests wet or not economic to lift (before or after the sand frac), the plan is to recomplete uphole to the Abo.
25. Set a CIBP @ appx 9250' + 3 sk cmt cap, McKee perfs are abandoned.
26. Set another CIBP @ appx 7175' + 3 sk cmt cap, previously squeezed Devonian perfs are abandoned.
27. Perforate Abo appx 6350 – 6450', selectively within the interval.
28. RIH w/2 7/8" workstring + treating pkr. Circ wellbore clean and set pkr @ appx 6200'. Acidize Abo perfs w/appx 4000 gal 15% HCL + additives, max 2 BPM, max 2600 psig after breakdown. Flow well back and swab test 1 – 2 days before proceed with well completion.

Plug and Abandonment (if both McKee and Abo tests are not successful)

29. If both the McKee and Abo are not economic to produce, there is no further use of this wellbore and the well will be plugged and abandoned.

Will P&A well when receive approved abandonment procedure from BLM and NMOCD.

Occidental Permian Limited Partnership
NMLC-032450-B – South Mattix Federal Unit #4
API: 30-025-11113
Lea County, New Mexico

RE: Plug back and Recomplete NOI – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

3M BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

-
1. Plugs below 7500' shall be Class H Neat. Plugs above 7500' shall be Class C Neat.
 2. Cement on top of CIBP shall be 35' bailed, or 25sx pumped.

Work to commence within 90 days. If planning to P&A the well, a separate NOI will be required.

Submit subsequent report with wellbore diagram and completion report(s) once work is completed.

DHW 070610