

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

WELL API/NO. 30-015-22782
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Bnm53219
7. Lease Name or Unit Agreement Name MH Federal Com SWD
8. Well Number #1
9. OGRID Number 192463
10. Pool name or Wildcat SWD Cisco
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3854' GR

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.)

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

2. Name of Operator

OXY USA WTP LP

3. Address of Operator

PO BOX 4294; HOUSTON, TX 77210

4. Well Location

Unit Letter N : 660 feet from the S line and 1650 feet from the W line
Section 1 Township 22S Range 24E NMPM County EDDY

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

3854' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

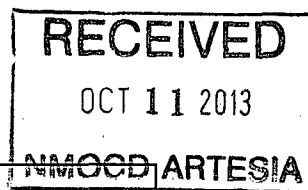
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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 WTP LP respectfully reports that we have successfully repaired the above mentioned well and have had a successful pressure test. Please see the attached description of work and the test chart. If there are any additional questions or concerns, please feel free to contact me at any time.



Spud Date:

Rig Release Date:

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

SIGNATURE

TITLE REGULATORY SPECIALIST

DATE 10/10/2013

Type or print name JENNIFER DUARTE

E-mail address: jennifer_duarte@oxy.com

PHONE: 713-513-6640

For State Use Only

APPROVED BY:

TITLE Dist # Supervisor

DATE 10/11/2013

Conditions of Approval (if any):

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division

Response Required - Deadline Enclosed

*Underground Injection Control Program
"Protecting Our Underground Sources of Drinking"*

21-Aug-13

OXY USA WTP LIMITED PARTNERSHIP
PO BOX 4294
HOUSTON TX 77210

**LETTER OF VIOLATION and SHUT-IN DIRECTIVE
Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section. The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

M H FEDERAL COM SWD No.001

30-015-22782-00-00
N-1-22S-24E

Active Salt Water Disposal Well

Test Date: 8/16/2013

Permitted Injection PSI:

Actual PSI: 0

Test Reason: Annual IMIT

Test Result: F

Repair Due: 11/19/2013

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: The casing valve had a slight vacuum that would not completely die down.

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,



Artesia OCD District Office

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

Job Events : MHFED-001SWD

Remarks

MIT Test failure- Need to test tbg before pulling equipment. Follow Abel's repair prog. Prog is attached.

9/16/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION AND ROAD RIG TO LOCATION. HELD TGSM AND DISCUSS RIG UP PROCEDURES AND HAND PLACEMENT. COULD NOT RIG UP DUE TO LOCATION BEING UNDER WATER. HAD VAC TRUCKS COME TO LOCATION AND HAUL OFF 3 LOADS OF WATER. RIG UP

9/17/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM, DISCUSS TRIP HAZARDS AND SLIP HAZARDS. WE GOT TO LOCATION AND WAITED ON THE BOP AND THE WIRELINE TRUCK TO SHOW UP. THEY BOTH GOT STUCK AND COULD NOT MAKE IT TO LOCATION. SECURED THE

9/18/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM ANDREWS. HELD TGSM AND DISCUSSED HAND PLACEMENT AND GUARD RAILS. CASING AND TUBING DID NOT HAVE ANY PRESSURE. WE NIPPLED DOWN THE WELLHEAD, AND UNFLANGED THE WELL. NIPPLE UP THE BOP AND BOP TESTED GOOD. RIGGED UP RIG FLOOR AND THEN WE RIGGED UP RENEGADE WIRELINE. WE MADE 4 RUNS WITH GAUGE RINGS AND PROFILE NIPPLE IS 1.78". WE SET THE BLANKING PLUG AND CAME OUT OF THE HOLE WITH WIRELINE. HOOKED UP PUMPTRUCK AND LOADED TBG WITH 47 BBLs AND PRESSURED UP TO 500 PSI. THE TBG HELD AND TESTED GOOD. WE THEN PUMPED 80 BBLs DOWN THE CSG, AND PRESSURED TO 500 PSI, AND IT LOST ALL

9/19/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM, DISCUSS HAND PLACEMENT. TBG HAD 0 PSI, AND WE GOT OFF THE PACKER VIA THE ON/OFF TOOL. WE HAD TO WAIT ON THE SLIP GRIP ELEVATORS, THEY SHIPPED THE WRONG ITEM TO LOCATION THIS MORNING AND WE HAD TO WAIT ON THEM TO ARRIVE. WE THEN PULLED OUT OF THE HOLE, TALLYING THE TUBING. GOT ALL

9/20/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM, DISCUSS HAND PLACEMENT AND SLIPS TRIPS AND FALLS. THE TBG AND CSG DID NOT HAVE ANY PRESSURE ON IT. WE PULLED OUT WITH THE KILL SSTRING AND PICKED UP A RBP AND PACKER. STARTED RUNNING TUBING. IT WAS DISCOVERED THAT WE WERE NOT PUTTING THE CORRECT TORQUE ON THE P6 TUBING, SO WE HAD TO PULL BACK OUT OF THE HOLE TO CORRECT THIS. STARTED BACK IN THE HOLE AND GOT DOWN HALFWAY TO

9/23/2013 MHFED-001SWD WTX-6090 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM, DISCUSS OVERHEAD LOADS, JSA AND PINCH POINTS. BOTH TBG AND CSG WERE ON A VAC. WE CONTINUED RUNNING IN THE HOLE AND RAN DOWN TO 7864'. SET THE PLUG AND GOT OFF PLUG, SET PACKER 20' ABOVE PLUG AND TRIED TO TEST PLUG. WE PUMPED 51 BBLs AND WELL WAS STILL ON VAC. WE MOVED TOOLS UP TO TRY TO GET A GOOD TEST. WE SET THE TOOLS 4 DIFFERENT TIMES AND NEVER GOT A GOOD TEST. WE WILL

9/24/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM COVER PINCH POINTS AND OVERHEAD LOADS. WELL DID NOT HAVE ANY PRESSURE. WE TRIED TO TEST OUR CASING AT 7800, AND IT WOULD TRY TO PRESSURE BUT WOULD NOT. THEN IT STARTED CIRCULATING. WE DROPPED A STANDING VALVE SO THAT WE COULD TEST OUR TUBING. WE DROPPED SV AND STARTED PRESSURING UP, AND IT WOULD NOT TRY TO PRESSURE UP. WE STARTED OUT OF THE HOLE WITH THE TUBING. WE FOUND A HOLE IN THE TUBING 28 JOINTS ABOVE THE PACKER. WE LAID THIS JOINT DOWN AND TESTED THE REMAINING TUBING TO 800 PSI, AND IT HELD GOOD. FINISHED COMING OUT OF THE HOLE AND LAID DOWN BP

9/25/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM DISCUSS PINCH POINTS AND TRIP HAZARDS. THERE WAS NO PRESSURE ON THE WELL. WE RAN IN THE HOLE WITH THE BP AND PKR. SET PLUG AT 7744 AND PACKER AT 7738. TESTED TOOLS, AND TOOLS TESTED GOOD. WE RELEASED THE BP AND RAN IT TO BOTTOM. SET BP @ 7906 AND PACKER AT 7889. PRESSURE UP BETWEEN TOOLS AND IT HELD GOOD. RELEASED PACKER AND MOVED UP HOLE TESTING. SECURED THE WELL AND SHUT

9/26/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM, AND DISCUSS PRESSURE PUMPING AND HAND PLACEMENT. WELL DID NOT HAVE ANY PRESSURE. WE TESTED OUR CASING WITH BP @ 7944' AND PKR @ 7930. CASING TESTED GOOD. LOADED THE BACKSIDE AND THE CASING TESTED GOOD AT 500 PSI FOR 20 MINS. WE RELEASED ALL TOOLS, LET THE WELL EQUALIZE AND PULLED
9/27/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL FROM EUNICE TO LOCATION. HELD TGSM, DISCUSS PINCH POINTS AND PRESSURE DUR TO TESTING TBG. RIGGED UP STEALTH HYDROTESTERS, AND TESTED TUBING IN THE HOLE AT 6000# BELOW THE SLIPS. ALL TUBING TESTED GOOD. SECURE WELL AND SHUT DOWN
9/30/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM, DISCUSS PINCH POINTS AND PRESSURE PUMPING. TUBING DID NOT HAVE ANY PRESSURE. PICKED UP THE NEW TUBING THAT WAS BROUGHT TO LOCATION. WE TAGGED THE ON/OFF TOOL, AND SPACED THE WELL OUT WITH A 2' SUB AND A 6' SUB. PULLED 18 PTS AND FLANGED THE WELL UP. WE LOADED THE CASING WITH PACKER FLUID, AND WORKED THE AIR OUT OF THE CASING. PRESSURE TESTED THE CASING TO 500 PSI, IT WOULD LOSE 50 POUNDS IN 30 MINUTES. WE WORKED THE AIR OUT OF THE SYSTEM, AND RETESTED. WE PRESSURED UP TO
10/1/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL TO LOCATION FROM EUNICE. HELD TGSM, DISCUSS PRESSURE PUMPING AND HAND PLACEMENT. CASING AND TUBING WERE BOTH AT 0 PSI. WE HOOKED UP TO THE CASING WITH CHART AND PRESSURED UP TO 500 PSI. WE LEFT THE PRESSURE ON FOR 1 HOUR AND LOST 20 PSI. THE NMOCD NEVER SHOWED UP OR CALLED. SHUT DOWN FOR THE DAY. SECURED THE WELL.
10/2/2013 MHFED-001SWD WTX-18 DENNIS MIDDLETON TRAVEL FROM EUNICE TO LOCATION. HELD TGSM, DISCUSS HAND PLACEMENT. WELL IS ON INJECTION. RIG DOWN PULLING UNIT AND CLEAN LOCATION. MOVE TO

