

DATE IN 10/31/12	SUSPENSE	ENGINEER WJS	LOGGED IN	TYPE PMX 264-A	APP NO. PWJ 1231050540
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☒ PMX * ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify * Amend Order No. PMX-264

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent-Occidental Permian Ltd.
 Title

10/31/12
 Date

drcatanach@netscape.com
 E-Mail Address

October 31, 2012

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Form C-108:
Application to Amend Order No. PMX-264
North Hobbs G/SA Unit No. 442 (API No. 30-025-28878)
1200' FSL & 220' FEL, Unit P, Section 13, T-18S, R-37E
North Hobbs G/SA Unit No. 411 (API No. 30-025-12783)
330' FNL & 330' FEL, Unit A, Section 23, T-18S, R-37E
Both in Lea County, New Mexico

Dear Ms. Bailey,

Order No. PMX-264 dated October 20, 2012 was recently issued upon the application of Occidental Permian Ltd. ("Occidental"). This order authorized Occidental to inject water, CO2 and produced gas within the North Hobbs G/SA Unit Wells no. 442 and 411, which were previously approved for water injection only by Division Orders No. PMX-151 and PMX-245, respectively. This order also authorized the expansion of the injection interval within the North Hobbs G/SA Unit No. 411.

Pursuant to Division Orders No. PMX-151, PMX-245 and PMX-264, the currently authorized injection intervals within the subject wells are described as follows:

North Hobbs G/SA Unit No. 442	4,146'-4,293' Perforated
North Hobbs G/SA Unit No. 411	4,000'-4,323' Perforated

Subsequent to the issuance of Order No. PMX-264, Occidental determined that the proposed injection interval within the subject wells was not accurately described within the C-108 application filed on 9/20/2012. Consequently, Occidental requests that Order No. PMX-264 be amended/corrected to authorize the following injection intervals:

North Hobbs G/SA Unit No. 442	4,146'-4,370' Perforated
North Hobbs G/SA Unit No. 411	4,000'-4,323' Perforated 4,323'-4,365' Open Hole

The proposed injection interval within the subject wells is fully contained within the North Hobbs G/SA Unit "Unitized Interval".

Form C-108
Application to Amend PMX-264
Occidental Permian Ltd.
October 30, 2012
Page 2

Attached is a Form C-108 and wellbore schematic diagrams showing the current and proposed injection intervals within the North Hobbs G/SA Unit Wells No. 442 and 411.

All other information required for approval of this amendment/correction was contained within the Form C-108 filed for these wells on 9/20/2012.

I believe that all the information necessary to approve the requested amendment/correction is enclosed. If additional information is needed, please contact me at (505) 690-9453.

Sincerely,



David Catanach-Agent
Occidental Permian Ltd.
P.O. Box 4294
Houston, Texas 77210

Xc: OCD-Hobbs

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ ☒ Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ ☒ Yes _____ No
- II. OPERATOR: _____ Occidental Permian Ltd. (157984) _____
ADDRESS: _____ P.O. Box 4294, Houston, Texas 77210 _____
CONTACT PARTY: _____ David Catanach _____ PHONE: _____ (505) 690-9453 _____
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ ☒ Yes * _____ No
If yes, give the Division order number authorizing the project: ***The purpose of the application is to amend/correct PMX-264 dated 10/20/12 thereby expanding the authorized injection interval within the NHGSAU Wells No. 411 & 442.**
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: _____ David Catanach _____ TITLE: _____ Agent for Occidental Permian, Ltd. _____

SIGNATURE: _____  _____ DATE: _____ 10/31/12 _____

E-MAIL ADDRESS: _____ drcatanach@netscape.com _____

- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal:

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220' South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Injection Well Data Sheet/
Wellbore Schematic

Occidental Permian Ltd.

North Hobbs G/SA Unit No. 411

API No. 30-025-12783

330' FNL & 330' FEL (Unit A)

Section 23, T-18 South, R-37 East, NMPM

Lea County, New Mexico

Date Drilled: May, 1951

11" Hole; Set 8 5/8" Csg. @ 334'
Cemented w/125 Sx.
Cement circulated to surface.

TOC @ 2,550' by CBL

- | | |
|---|--|
| 1. Name of the Injection Formation: | San Andres |
| 2. Name of Field or Pool: | Hobbs-Grayburg San Andres Pool |
| 3. Is this a new well drilled for injection?
If no, for what purpose was the well originally drilled? | Yes |
| 4. Has the well ever been perforated in any other zones? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) | None |
| 5. Give the depth to and name of any overlying and/or underlying oil and gas zones (pools) in this area. | Bowers (Queen), +/- 3,306'
Glorieta, +/- 5,410' |

2 3/8" Duoline (Fiberglass Liner) w/
Arrowset 1-X Packer @ 4,142' & KTC
Hydraulic Tandem Packer @ 4,253'

6 3/4" Hole; Set 5 1/2" Csg. @ 3,915'
Cemented w/75 Sx.
TOC @ 2,550' by CBL

Current Injection Interval:
4,225'-4,252'-Currently Isolated Perfs.
4,263'-4,323' Open Perfs.

Proposed Injection Interval:
4,000'-4,323' Perforated
4,323'-4,365' Open-Hole

Set 4 1/2" FJ Liner @ 4,323'
Cemented w/200 Sx.
Cement circulated to surface

T.D. - 4,365'

Injection Well Data Sheet/
Wellbore Schematic

Occidental Permian Ltd.

North Hobbs G/SA Unit No. 442

API No. 30-025-28878

1200' FSL & 220' FEL (Unit P)

Section 13, T-18 South, R-37 East, NMPM

Lea County, New Mexico

Date Drilled: October, 1984

14" Conductor
Pipe @ 40'

12 1/4" Hole; Set 8 5/8" Csg. @ 1,508'
Cemented w/ 390 Sx.
Cement circulated to surface.

TOC @ 1,508' by CBL

- | | |
|--|--|
| 1. Name of the Injection Formation: | San Andres |
| 2. Name of Field or Pool: | Hobbs-Grayburg San Andres Pool |
| 3. Is this a new well drilled for injection?
If no, for what purpose was the well
originally drilled? | Yes |
| 4. Has the well ever been perforated in any
other zones? List all such perforated
intervals and give plugging detail (sacks
of cement or bridge plug(s) used) | None |
| 5. Give the depth to and name of any
overlying and/or underlying oil and
gas zones (pools) in this area. | Bowers (Queen), +/- 3,306'
Glorieta, +/- 5,410' |

2 7/8" Duoline (Fiberglass Liner)
Guiberson-Uni VI @ 4,109'

Current Injection Interval:
4,146'-4,293' Perforated

Proposed Injection Interval:
4,146'-4,370' Perforated

7 7/8" Hole; Set 5 1/2" Csg. @ 4,370'
Cemented w/800 Sx.
TOC @ 1,508' by CBL

T.D. - 4,370'