

State of New Mexico
Energy, Minerals and Natural Resources Department

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Adrienne E. Sandoval
Director, Oil Conservation Division



10/27/2021
Mr. Dusty Wilson
Occidental Permian LTD
6001 Deauville Blvd.
Midland, Texas 79706
Re: South Hobbs G/SA Unit - Gas Mitigation Work Plan - Order No. R-4934-F, Case No. 14981.

Dear Mr. Wilson,

The Oil Conservation Division (OCD) APPROVES the work plan for the above noted location as written and submitted March 24, 2021. This is for the mitigation component alone with the following caveat(s):

OCD requires that the remedial aspect be operated and sampled as per schedule for two (2) months alone. Following that time frame, and while system is still operational OCD will decide on returning the operational production well in question SHU#290 (replacing plugged well at location SHU#18) into service. Following an appropriate time frame for remedial system data review.

The OCD's Engineering Bureau does not oppose the granting of the South Hobbs G/SA Unit Gas Mitigation Work Plan submitted by Ensolum, LLC on March 24, 2021, on behalf of OXY USA INC. Additionally, the UIC team after review of the "dip in" test results submitted July 27, 2021 does not oppose OXY recommencing injection at SHU 290 (API No. 30-025-44612), provided however that OXY perform a Fall-off test and submit the results of the injection log profile and downhole pressure gauge. Additionally, OCD reserves the right to request that injection into SHU 290 be halted should any pressure anomalies within the Leavy or associated monitoring wells be detected.

On the frequency of test data, the engineering bureau does not recommend reducing the frequency of the data collections following any changes like proceeding with the vac trucks and pumps. If however data seems to stabilize after the changes have been initiated then allowing less frequent collection is reasonable. Based upon the recently submitted data, it appears that hydrocarbon in gas phase is increasing without having reached a peak and the proposal to maintain weekly tests is advisable. On the other hand, if the Env group based on the water chemistry samples are satisfied that the trend has been captured, then perhaps it is worth considering less frequent tests. Although setting benchmarks and waiting another month or two before deciding to reduce the water samples seems prudent. Especially considering the recent change in operations following the installation of a pump. Taking into consideration the pumps into the Leavy well the Engineering bureau recommends OXY provide the volumes and frequency of water being pumped. Such data could be useful when in the determination of a trend.

Please submit monthly reports for the two initial months of remedial system operations to Bradford Billings and copy to Mike Bratcher, however, if something untoward occurs, please notify Bradford Billings and Mike Bratcher (OCD) as soon as possible.

Sincerely,

/s/ *Bradford Billings*

Bradford Billings
cc/Mike Bratcher

Bradford Billings • Enviro. Spec. A
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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CONDITIONS

Action 284108

CONDITIONS

Operator: OCCIDENTAL PERMIAN LTD P.O. Box 4294 Houston, TX 772104294	OGRID:	157984
	Action Number:	284108
	Action Type:	[UF-GWA] Ground Water Abatement (GROUND WATER ABATEMENT)

CONDITIONS

Created By	Condition	Condition Date
michael.buchanan	None	1/2/2024