

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING SEPTEMBER 09, 2021**

**CASE No. 22151**

*CAL-MON MDP1 "35" FEDERAL 1H, 2H, 4H, 5H,  
41H, 175H WELLS,  
IRIDIUM MDP1 "28-21" FEDERAL COM #21H WELL*

**EDDY COUNTY, NEW MEXICO**



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY USA INC. FOR A  
CLOSED LOOP GAS CAPTURE INJECTION  
PILOT PROJECT, EDDY COUNTY, NEW  
MEXICO.**

**CASE NO. 22151**

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**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY USA INC. FOR A  
CLOSED LOOP GAS CAPTURE INJECTION  
PILOT PROJECT, EDDY COUNTY, NEW  
MEXICO.**

CASE NO. 22151

**APPLICATION**

OXY USA Inc. (“OXY” or “Applicant”) (OGRID No. 16696) through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order authorizing OXY to engage in a closed loop gas capture injection pilot project in the Bone Spring formation (“pilot project”). In support of this application, OXY states:

**PROJECT OVERVIEW**

1. OXY proposes to create a 800-acre, more or less, project area for this pilot project consisting of the W/2 W/2 of Sections 21, 28 and 35, and the E/2 of Section 35, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. See **Exhibit A** at 7-8.
2. The proposed project area is part of a larger area referred to as the Sand Dunes area.
3. Within the proposed project area, OXY seeks authority to utilize the following producing wells to occasionally inject produced gas into the Bone Spring formation:
  - The **Cal-Mon MDP1 “35” Federal #1H well** (API No. 30-015-44771) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 277 feet FNL and 1077 feet FWL (Unit D) in Section 35, and a bottom hole location 202 feet FSL and 464 feet FWL (Unit M) in Section 35.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: OXY USA INC.  
Hearing Date: September 09, 2021  
Case No. 22151

- The **Cal-Mon MDP1 “35” Federal #2H well** (API No. 30-015-44772) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 277 feet FNL and 1112 feet FWL (Unit D) in Section 35, and a bottom hole location 187 feet FSL and 1248 feet FWL (Unit M) in Section 35.
- The **Cal-Mon “35” Federal #41H well** (API No. 30-015-43140) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 250 feet FNL and 710 feet FWL (Unit D) in Section 35, and a bottom hole location 193 feet FSL and 951 feet FWL (Unit M) in Section 35.
- The **Iridium MDP1 “28-21” Federal Com #21H well** (API No. 30-015-45074)[Ingle Wells; Bone Spring Pool (Pool Code 33740)], with a surface location 610 feet FSL and 648 feet FWL (Unit M) in Section 28, and a bottom hole location 24 feet FNL and 303 feet FWL (Unit D) in Section 21.
- The **Cal-Mon “35” Federal #175H well** (API No. 30-015-45524) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 110 feet FNL and 615 feet FEL (Unit A) in Section 35, and a bottom hole location 17 feet FSL and 824 feet FEL (Unit P) in Section 35.
- The **Cal-Mon MDP1 “35” Federal #4H well** (API No. 30-015-44774) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 120 feet FNL and 2624 feet FWL (Unit C) in Section 35, and a bottom hole location 191 feet FSL and 2180 feet FEL (Unit O) in Section 35.
- The **Cal-Mon MDP1 “35” Federal #5H well** (API No. 30-015-44775) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 110 feet

FNL and 890 feet FEL (Unit A) in Section 35, and a bottom hole location 200 feet FSL and 1068 feet FEL (Unit P) in Section 35.

4. Injection along the horizontal portion of the wellbores will be at the following approximate true vertical depths:

- The **Cal-Mon MDP1 “35” Federal #1H well**: between 10,028 feet and 10,098 feet.
- The **Cal-Mon MDP1 “35” Federal #2H well**: between 9,940 feet and 10,101 feet.
- The **Cal-Mon “35” Federal #41H well**: between 10,295 feet and 10,385 feet.
- The **Irdium MDP1 “28-21” Federal Com #21H well**: between 8,664 feet and 8688 feet.
- The **Cal-Mon “35” Federal #175H well**: between 10,549 feet and 10,973 feet.
- The **Cal-Mon MDP1 “35” Federal #4H well**: between 10,226 feet and 10,368 feet.
- The **Cal-Mon MDP1 “35” Federal #5H well**: between 10,012 feet and 10,147 feet.

5. A map depicting the pipeline that ties the wells proposed for the pilot project into the gathering system and the affected compressor station is included in the attached **Exhibit A** at 7-8.

#### WELL DATA

6. Information on the well data, including well diagrams and well construction, casing, tubing, packers, cement, perforations, and other details for each proposed injection well are included in the attached **Exhibit A** at 18-31.

7. The top of the Bone Spring formation in this area is at approximately 8,000 feet true vertical depth and extends down to the top of the Wolfcamp formation at approximately 11,600 feet true vertical depth. See *Exhibit A* at 74-75.

8. The current average surface pressures under normal operations for the proposed injection wells range from approximately 560 psi to 860 psi. See *Exhibit A* at 32. The maximum allowable surface pressure (MASP) for the wells in the pilot project will be 1,250 psi. *Id.*

9. OXY plans to monitor injection and operational parameters for the pilot project using an automated supervisory control and data acquisition (SCADA) system with pre-set alarms and automatic shut-in safety valves that will prevent injection pressures from exceeding the MASP. See *Exhibit A* at 33, 49-50.

10. The proposed maximum allowable surface pressure will not exert pressure at the top perforation in the wellbore of any injection well with a full fluid column of reservoir brine water in excess of 90% of the burst pressure for the production casing or production liner. See *Exhibit A* at 32. In addition, the proposed maximum allowable surface pressure will not exert pressure at the topmost perforation in excess of 90% of the formation parting pressure. See *Exhibit A* at 32.

11. Cement bond logs<sup>1</sup> for each of the injection wells demonstrate the placement of cement in the wells proposed for this pilot project and that there is a good and sufficient cement bond with the production casing and the tie-in of the production casing with the next prior casing in each well.

12. The wells proposed for injection in the pilot project have previously demonstrated mechanical integrity. See *Exhibit A* at 34. OXY will undertake new tests to demonstrate

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<sup>1</sup> Electronic version of the cement bond logs will be submitted to the Division by email.

mechanical integrity for each of the wells proposed for this pilot project as a condition of approval prior to commencing injection operations.

### **GEOLOGY AND RESERVOIR**

13. Data and a geologic analysis confirming that the Bone Spring formation is suitable for the proposed pilot project is included in *Exhibit A* at 71-78. A general characterization of the geology of the Bone Spring formation and its suitability for the proposed injection, including identification of confining layers and their ability to prevent vertical movement of the injected gas is included in the analysis. *Id.*

14. Zones that are productive of oil and gas are located in the overlying Brushy Canyon formation, and the deeper Wolfcamp Formation. *See Exhibit A* at 71.

15. Reservoir modeling indicates anticipated horizontal movement of injected gas will be approximately 100 feet or less from each injection wellbore within the Bone Spring formation. *See Exhibit A* at 85.

16. The proposed average injection rate is 1.8 MMSCFPD with a maximum injection rate of 2.0 MMSCFPD during injection for each well except the Iridium MDP1 “28-21” Federal Com #21H well, which has a proposed maximum injection rate of 3.0 MMSCFPD. *See Exhibit A* at 32.

17. OXY has prepared calculations estimating the stimulated reservoir volume based on supporting empirical data and a reservoir model to evaluate potential effects on wells adjacent to the pilot project area. *See Exhibit A* at 80-89. OXY’s analysis concludes that there will be no change in the oil recovery from each of its proposed injection wells or from any of the offsetting wells. *See id.* at 87.

18. Similarly, OXY has prepared an analysis of the potential effects on the reservoir caused by the proposed injection, including consideration of commingling fluids. *Exhibit A* at 80-89. OXY's analysis concludes that there will be no adverse effect on the reservoir as a result of the injection. *Id.* at 87, 90.

19. OXY has also prepared an analysis evaluating the expected gas storage capacity for the proposed injection well relative to the gas injection volumes for an injection scenario lasting twenty days. *See Exhibit A* at 88. The analysis confirms that whether the capacity is estimated based on the fracture volume gas equivalent or the total gas equivalent volumes produced from the proposed injection zone, the anticipated gas injection volumes will be well below the estimated volume capacity within the project area.

20. The source of gas for injection will be from OXY's wells producing in the Bone Spring and Wolfcamp formations that are identified in the list of wells in *Exhibit A* at page 36-38. Each of OXY's proposed injection wells are operated by OXY and OXY holds 100% of the working interest in the CLGC wells.

21. OXY has prepared an analysis of the composition of the source gas for injection and a corrosion prevention plan. *See Exhibit A* at 39-47.

22. OXY has examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the injection zone and any underground source of drinking water. *See Exhibit A* at 78. OXY has also examined the available geologic and engineering data and determined that the total recoverable volume of hydrocarbons from the reservoir will not be adversely affected by the pilot project. *See Exhibit A* at 90.

### AREA OF REVIEW

23. OXY has prepared maps depicting the surface hole location and trajectory of the proposed injection well, the location of every well within a two-mile radius, leases within two miles, and the half-mile area of review. *See Exhibit A* at 52-56.

24. A tabulation of data for wells that penetrate the proposed injection intervals or the confining layer within the area of review is included in *Exhibit A* at pages 57-60, along with well-bore schematics for wells that are plugged and abandoned or temporarily abandoned. *See Exhibit A* at 61-69.

### OPERATIONS AND SAFETY

25. OXY will monitor each injection well's instantaneous rates and daily injection volumes, along with pressure in the well tubing, casing, and bradenheads using an automated supervisory control and data acquisition (SCADA) system. *See Exhibit A* at 49-50. Each injection well will also include automated safety devices, including automatic shut-in valves among other operational safety measures. *See Exhibit A* at 33. OXY will also monitor and track various operational parameters at the pilot project's central tank battery and central gas lift compressors. *See id.*

26. A copy of this application will be provided by certified mail to the surface owner on which each injection well identified herein is located, and to each leasehold operator and other affected persons within any tract wholly or partially contained within one-half mile of the completed interval of the wellbore for each of the proposed injection wells. A copy of the affected parties subject to notice is included in *Exhibit A* at 95-96, along with a map and list identifying each tract and affected persons given notice. *See Exhibit A* at 92-94.

27. Approval of this pilot project is in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, OXY USA Inc. requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 9, 2021, and that after notice and hearing this Application be approved.

Respectfully submitted,

HOLLAND & HART LLP



By: \_\_\_\_\_

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**ATTORNEYS FOR OXY USA INC.**

CASE \_\_\_\_\_:

**Application of OXY USA Inc. for Closed Loop Gas Capture Injection Pilot Project, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order authorizing it to engage in a closed loop gas capture injection pilot project (“pilot project”) in the Bone Spring formation, within a 800-acre, more or less, project area for this pilot project consisting of the W/2 W/2 of Sections 21, 28, and 35, and the E/2 of Section 35, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, by occasionally injecting into the following wells:

- The **Cal-Mon MDP1 “35” Federal #1H well** (API No. 30-015-44771) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 277 feet FNL and 1077 feet FWL (Unit D) in Section 35, and a bottom hole location 202 feet FSL and 464 feet FWL (Unit M) in Section 35.
- The **Cal-Mon MDP1 “35” Federal #2H well** (API No. 30-015-44772) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 277 feet FNL and 1112 feet FWL (Unit D) in Section 35, and a bottom hole location 187 feet FSL and 1248 feet FWL (Unit M) in Section 35.
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- The **Irdium MDP1 “28-21” Federal Com #21H well** (API No. 30-015-45074) [Ingle Wells; Bone Spring Pool (Pool Code 33740)], with a surface location 610 feet FSL and 648 feet FWL (Unit M) in Section 28, and a bottom hole location 24 feet FNL and 303 feet FWL (Unit D) in Section 21.
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OXY seeks authority to utilize these producing wells to occasionally inject produced gas into the Bone Spring formation at true vertical

depths of between approximately 8,000 feet to 11,600 feet along the horizontal portion of each wellbore at surface injection pressures of no more than 1,250 psi. The source of the produced gas will be the Bone Spring and Wolfcamp formations. The subject acreage is located approximately 17 miles east of Loving, New Mexico.

# New Mexico Closed Loop Gas Capture (CLGC) Oxy- North Corridor

## EXHIBIT A



**Occidental**

# Overview

## General Project Description: Closed Loop Gas Capture Project Oxy- North Corridor

### About North Corridor

The North Corridor is a project area composed of Iridium and Calmon wells. These wells share the same source gas wells and the same gas system.

### Summary of Requested Relief

1. Authority to operate a Closed Loop Gas Capture Project (“CLGC”) consisting of seven wells to prevent waste and reduce adverse impacts from temporary interruptions of gas pipeline capacity.
2. A 2-year duration of such authority with renewal by administrative approval.
3. Authority to, when applicable, place packers in CLGC wells as deep as possible but no more than 100 feet above the top of the injection zone.
4. Authority to add CLGC wells to the proposed project by administrative approval if the well is within the Area of Review previously completed.

### Overview

Oxy USA Inc. (Oxy) is proposing a CLGC project in the North Corridor area. On occasion, third-party gas purchasers reduce takeaway capacity and cause interruptions that result in flaring or shut in production. During these interruptions, Oxy will utilize CLGC wells to capture gas and reduce flaring.

In 2020, Oxy experienced 58 days of interruptions where the third-party gas purchaser temporarily reduced takeaway capacity from this location, resulting in the flaring of 162 MMSCF of gas or the immediate shut-in of at least 21,000 BOPD. Approval of this application will significantly reduce such flaring or shut-in production in the future.

Operations During Interruption	Operations During Interruption With CLGC System	Benefits
<ul style="list-style-type: none"> <li>• Flare gas</li> <li>• Shut in production</li> </ul>	<ul style="list-style-type: none"> <li>• Store gas</li> <li>• Continue production</li> <li>• No additional surface disturbances</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce greenhouse gas emissions</li> <li>• Improve economic recovery of mineral resources including gas that might have been flared</li> <li>• Utilize existing infrastructure</li> </ul>

### Proposed Operations

Oxy has an extensive high-pressure gas system in the North Corridor area. It is used for gas lift, a type of artificial lift. Oxy plans to utilize the same system for gas storage operations. Very minimal equipment on surface will need to be installed prior to starting storage operations.

Enterprise is the third-party gas purchaser for the North Corridor area. If an interruption occurs, Oxy will divert gas from the takeaway line back into the gas lift injection system. Gas will flow from the Central

Gas Lift (CGL) Station through the flow meter, control valve, safety shutdown valve, wellhead and into the wellbore for storage. Gas will be injected down the casing/tubing annulus in all wells. Simultaneously, the CLGC well will be shut in by closing the electric choke upstream of the production flowline. After the interruption has ended, the electric choke will open and the CLGC well resumes production.

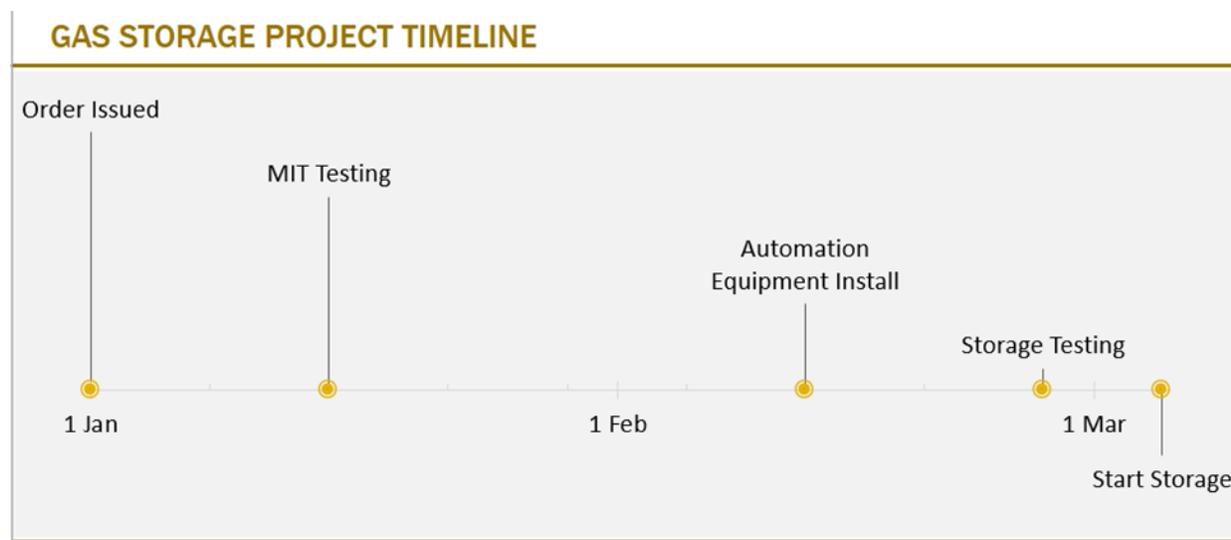
Wells

7 wells are proposed in this application.

#	API 14	Well Name	Injection down the...
1	30015455240000	CAL-MON-175H	Casing
2	30015447710000	CALMON-35-1H	Casing
3	30015447720000	CALMON-35-2H	Casing
4	30015447740000	CALMON-35-4H	Casing
5	30015447750000	CALMON-35-5H	Casing
6	30015431400200	CAL-MON41HST	Casing
7	30015450740000	IRI28-21-21H	Casing

Timeline

Since no new surface disturbances are required, this project can be implemented with minimal facility modifications. The timeline below assumes an order is issued on January 1 for illustration purposes.



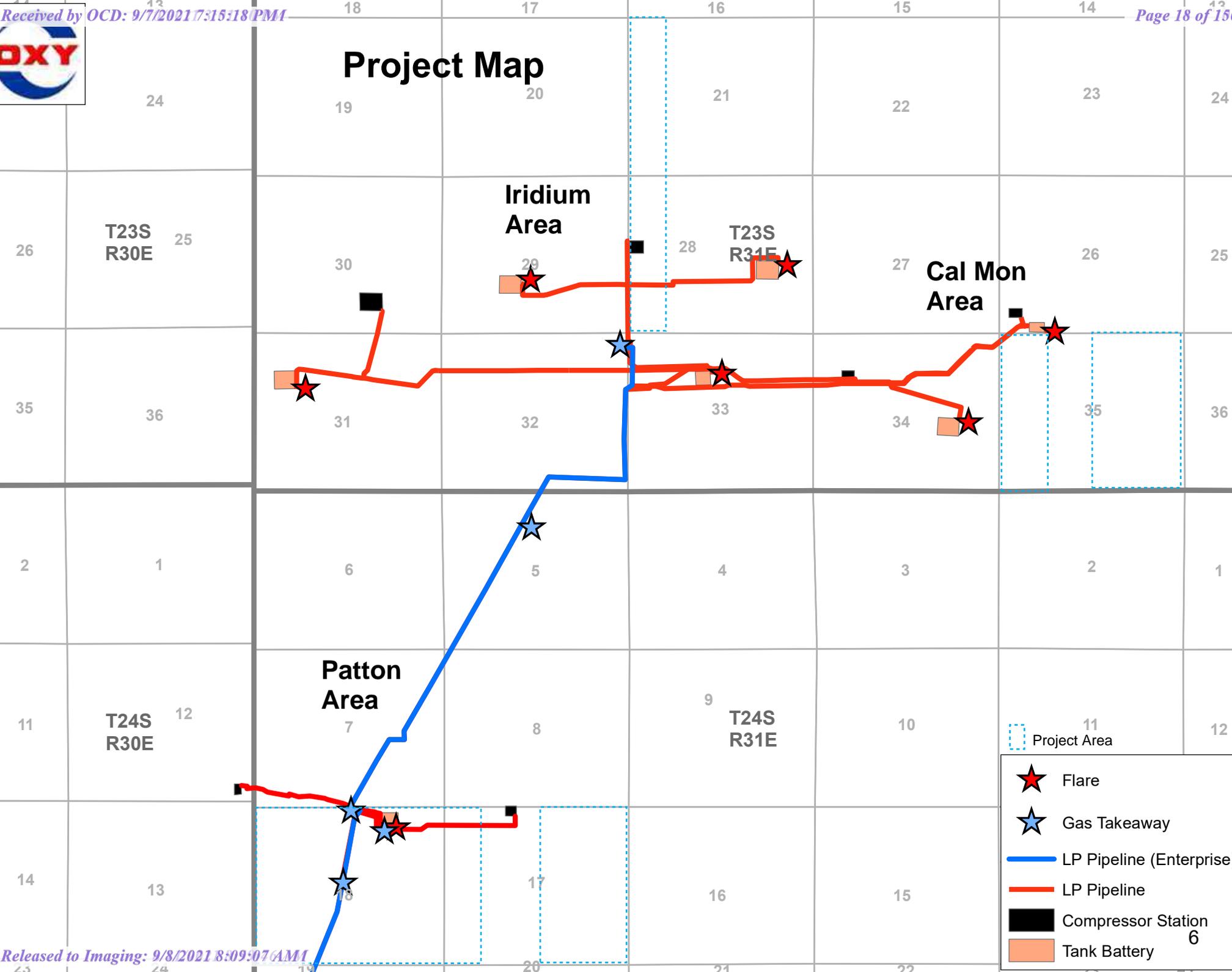
Pertinent Details

- Maximum Allowable Surface Pressure = 1250 psi
- 7 horizontal wells
- Roughly 5000 ft and 10000 ft lateral lengths
- Injection down the casing/tubing annulus

- Target Formations = Avalon, Second Bone Spring, Harkey
- Top of injection zone based off perf TVD = 8664 ft TVD
- Bottom of injection zone based off perf TVD = 10973 ft TVD



# Project Map



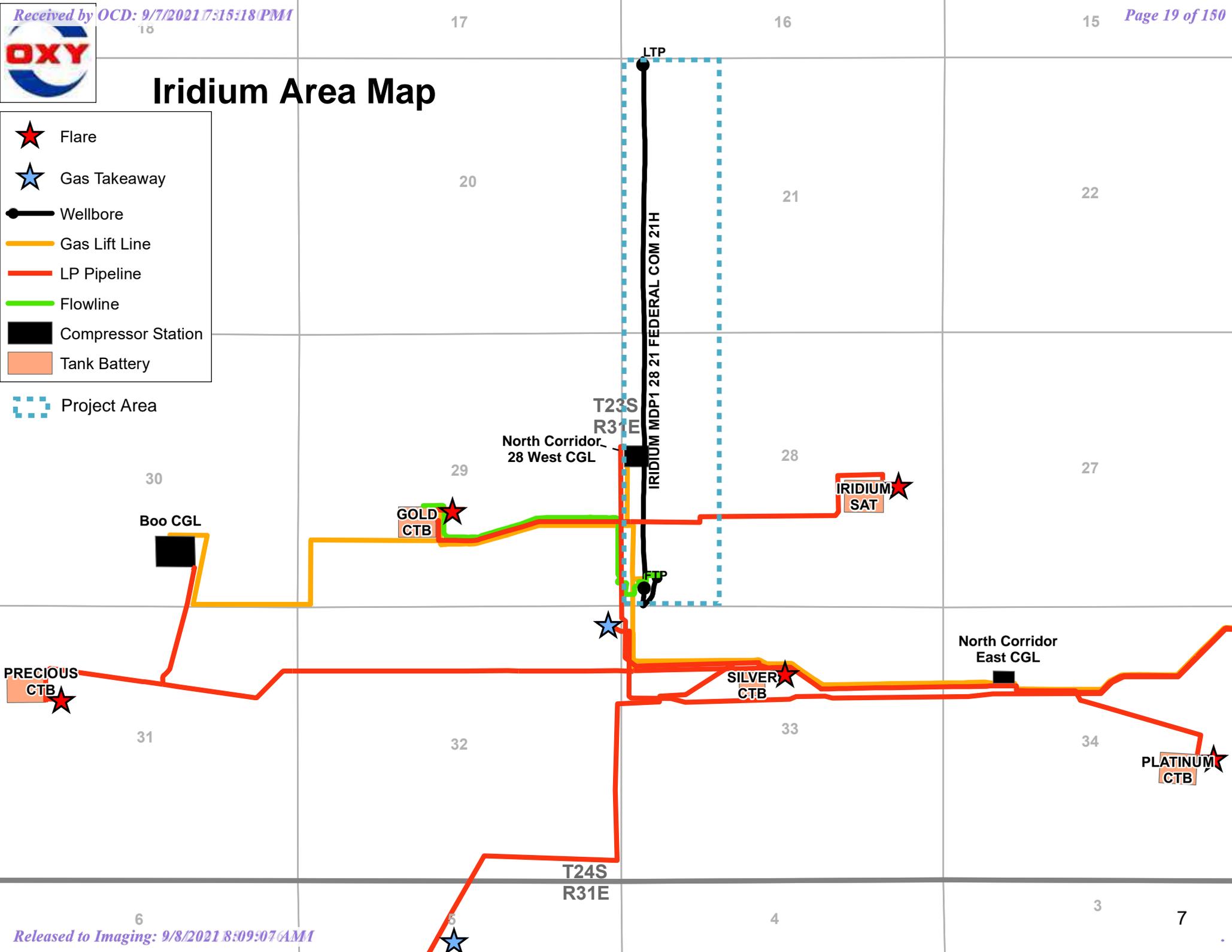
	Project Area
	Flare
	Gas Takeaway
	LP Pipeline (Enterprise)
	LP Pipeline
	Compressor Station
	Tank Battery



# Iridium Area Map

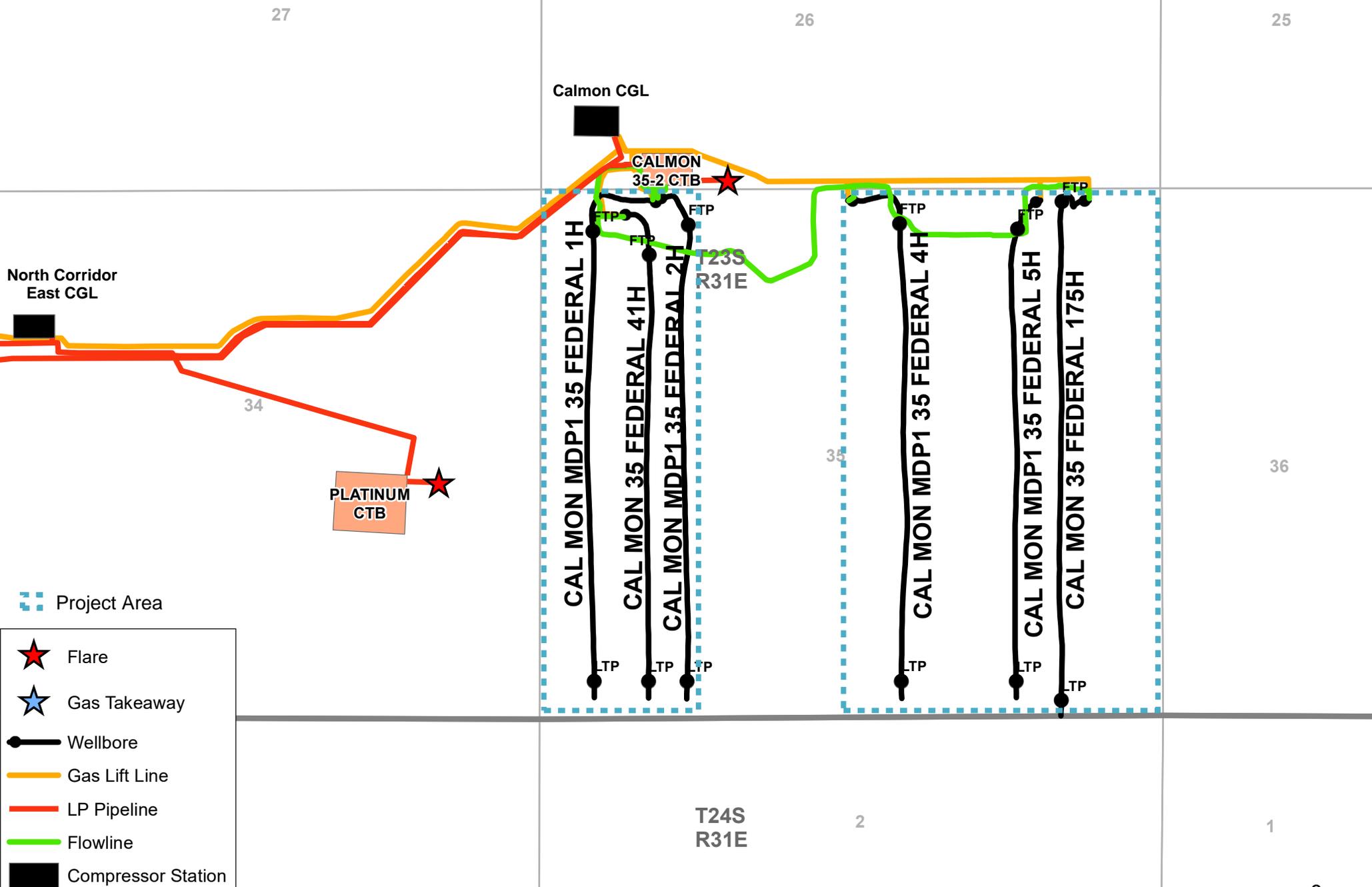
-  Flare
-  Gas Takeaway
-  Wellbore
-  Gas Lift Line
-  LP Pipeline
-  Flowline
-  Compressor Station
-  Tank Battery

 Project Area





# Cal Mon Area Map



Project Area

Flare

Gas Takeaway

Wellbore

Gas Lift Line

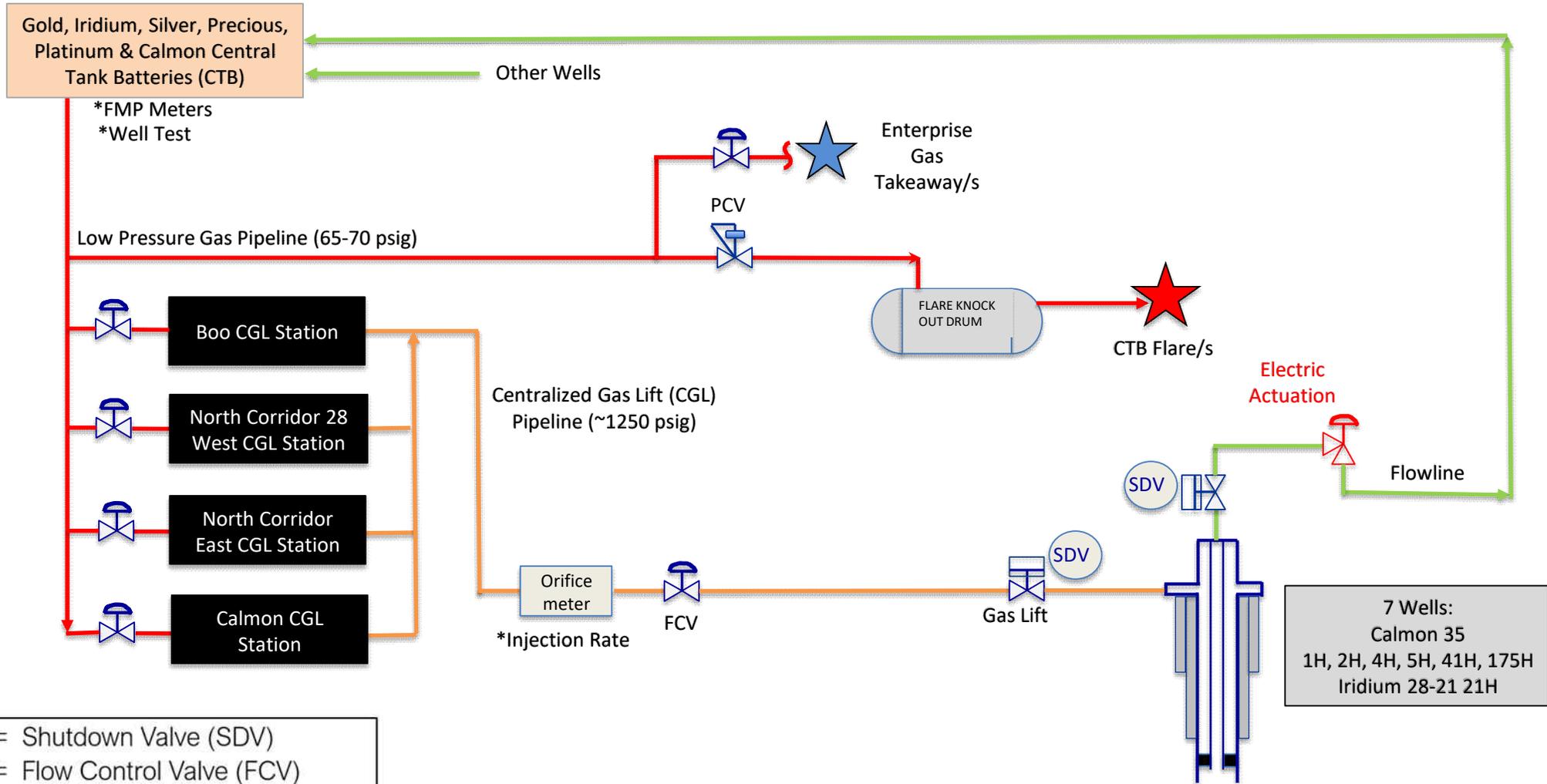
LP Pipeline

Flowline

Compressor Station

Tank Battery

# Iridium/Calmon Gas Process Flow Diagram



7 Wells:  
 Calmon 35  
 1H, 2H, 4H, 5H, 41H, 175H  
 Iridium 28-21 21H

-  = Shutdown Valve (SDV)
-  = Flow Control Valve (FCV)
-  = Pressure Control Valve (PCV)
-  = Flowline
-  = LP Gas Line

# Injection Wellbores

**NM OIL CONSERVATION  
ARTESIA DISTRICT**

JUN 13 2018 Form C-102  
Revised August 1, 2011  
**RECEIVED** copy to appropriate  
District Office

**District I**  
1422 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
**District III**  
1000 Rio Grande Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

AMENDED REPORT  
AS Drilled

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-44771	Pool Code 13367	Pool Name Cotton Draw Bone Spring
Property Code 320832	Property Name CAL-MON MDP1 "35" FEDERAL	Well Number 1H
OGRID No. 16096	Operator Name OXY USA INC.	Elevation 3457.9'

**Surface Location**

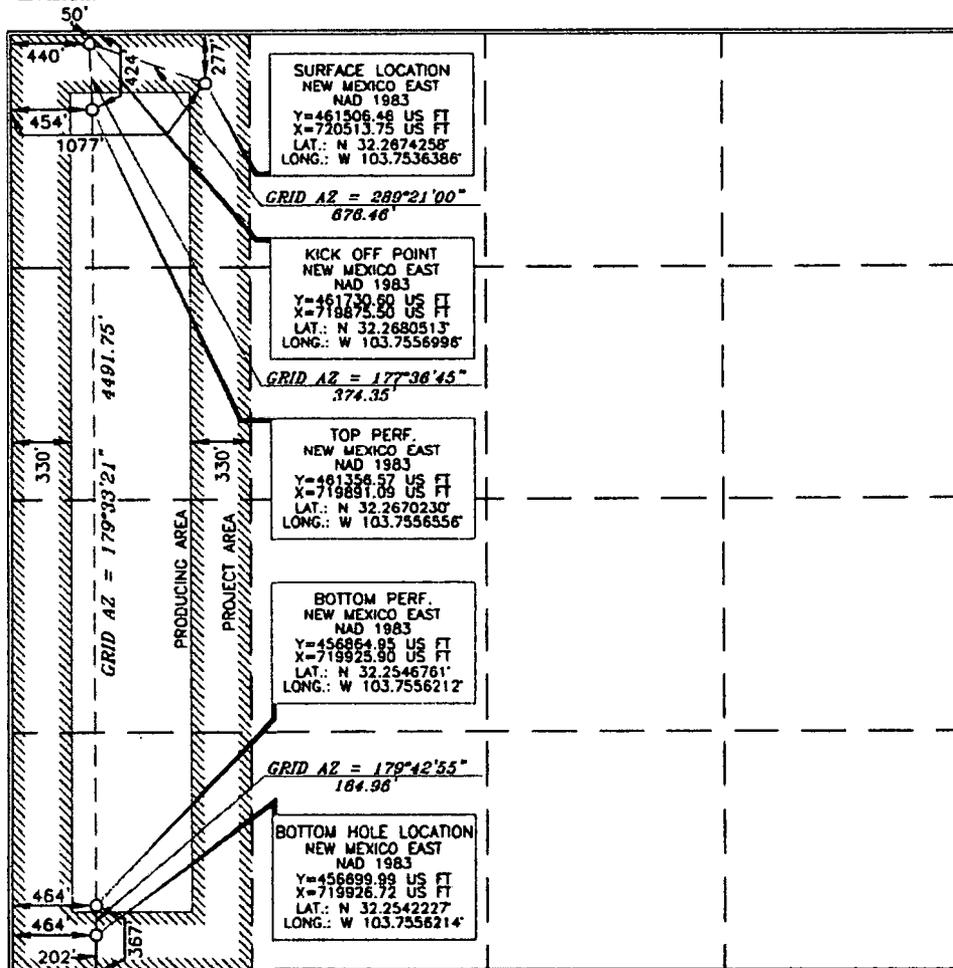
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	23 SOUTH	31 EAST, N.M.P.M.		277'	NORTH	1077'	WEST	EDDY

**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	35	23 SOUTH	31 EAST, N.M.P.M.		202'	SOUTH	464'	WEST	EDDY

Dedicated Acres 160	Joint or Infill Y	Consolidation Code	Order No. TP: 424' ENL 454' ENL BP: 367' ENL 464' ENL
------------------------	----------------------	--------------------	----------------------------------------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Sarah Chapman Date: 6/12/18  
Printed Name: Sarah Chapman  
E-mail Address: sarah\_chapman@oxy.com

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from the latest of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: FEBRUARY 15, 2018  
Signature and Seal of Professional Surveyor: [Signature]  
Certificate Number: 15079

WC# 161019WL-o (Rev. B) (NA)

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-4161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-0720  
District III  
1000 Rio Grande Road, Arroyo, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT  
AS Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44772	Pool Code 13367	Pool Name Cotton Draw Bone Spring
Property Code 320032	Property Name CAL-MON MDP1 "35" FEDERAL	Well Number 2H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3458.4'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	23 SOUTH	31 EAST, N.M.P.M.		277'	NORTH	1112'	WEST	EDDY

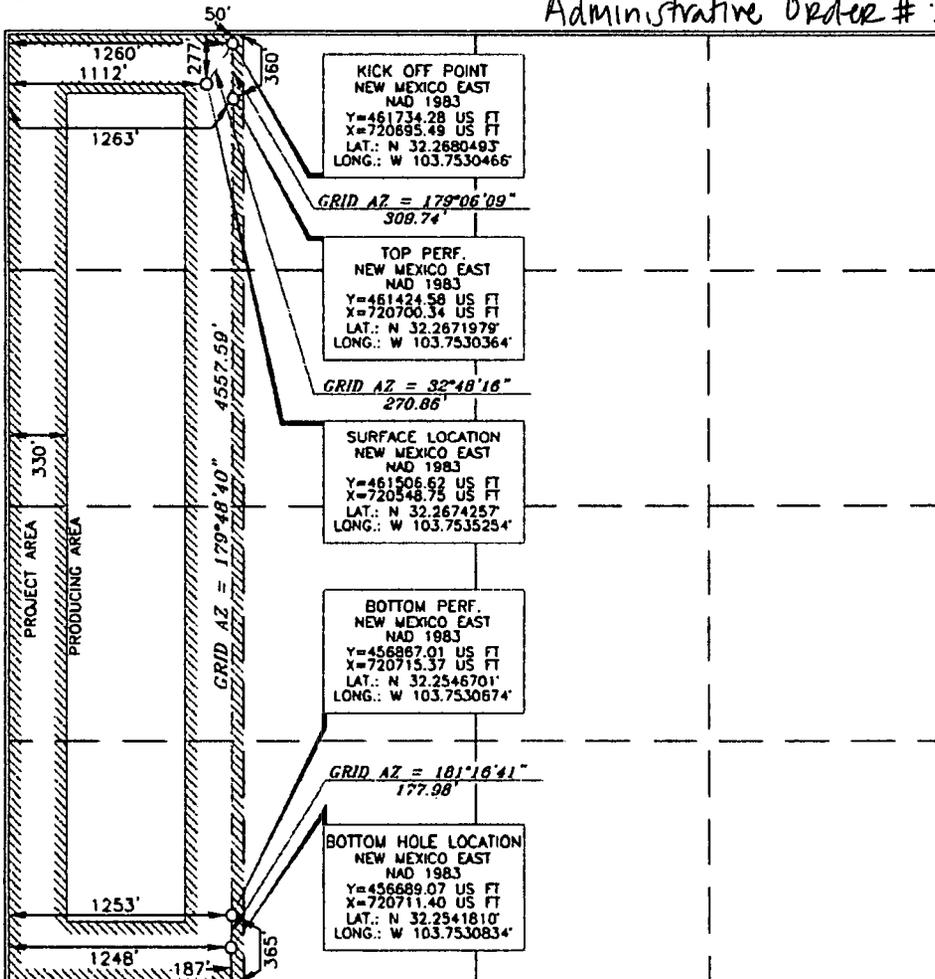
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	35	23 SOUTH	31 EAST, N.M.P.M.		187'	SOUTH	1248'	WEST	EDDY

Dedicated Acres 160	Joint or Infill Y	Consolidation Code	Order No. TP: 360' FNL 1263' FWL BP: 365' FSL 1253' FWL
------------------------	----------------------	--------------------	------------------------------------------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Administrative Order #: 7592-N5L



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill the well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order.  
Therefore entered by the division:  
Josh Chape 4/12/18  
Signature Date  
Sarah Chapman  
Printed Name  
Sarah\_chapman@oxy.com  
E-mail Address

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from the best of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
Date of Survey: FEBRUARY 15, 2016  
Signature and Seal of Professional Surveyor: [Signature]  
Certificate Number: 15079

NM OIL CONSERVATION  
ARTESIA DISTRICT

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

DEC 18 2017  
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AMENDED REPORT  
(As-Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-43140</b>	Pool Code <b>13307</b>	Pool Name <b>Cotton Draw Bone Spring</b>
Property Code <b>314855</b>	Property Name <b>CAL-MON "35" FEDERAL</b>	Well Number <b>41H</b>
OGRID No. <b>16696</b>	Operator Name <b>OXY USA INC.</b>	Elevation <b>3456.2'</b>

Surface Location

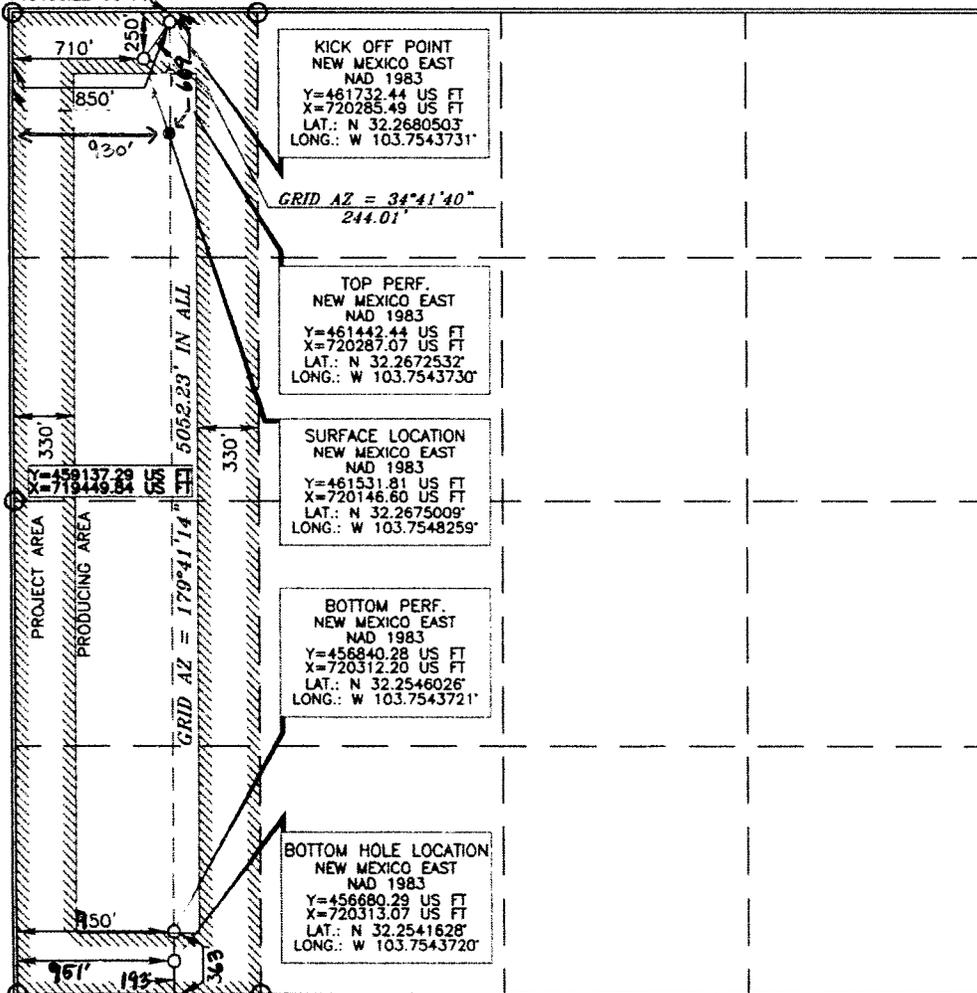
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	23 SOUTH	31 EAST, N.M.P.M.		250'	NORTH	710'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	35	23 SOUTH	31 EAST, N.M.P.M.		100' 193'	SOUTH	850' 951'	WEST	EDDY
Dedicated Acres <b>160</b>	Joint or Infill <b>N</b>	Consolidation Code	Order No.	<b>BO - 368 FSL 950 FWL TP - 669 FILL 930 FWL</b>					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Y=461778.62 US FT  
X=718435.22 US FT  
Y=461784.54 US FT  
X=720754.32 US FT



OPERATOR CERTIFICATION

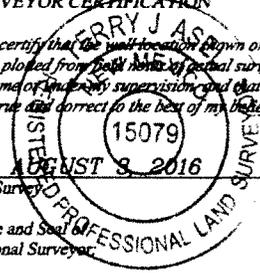
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*[Signature]* 10/12/17  
Date  
Jana Mendiola  
Printed Name  
janalyn\_mendiola@oxy.com  
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from both hole and actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

*[Signature]*  
Date of Survey  
Signature and Seal of Professional Surveyor



*[Signature]* 2/24/2017  
Certificate Number 15079

WO# 150803WL-XY (Rev. B) (KA)

District I  
1623 N. French Dr., Hobbs, NM 88240  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-45074</b>	Pool Code <b>33740</b>	Pool Name <b>Ingle Wells Bone Spring</b>
Property Code <b>321632</b>	Property Name <b>IRIDIUM MDP1 "28-21" FEDERAL COM</b>	Well Number <b>21H</b>
OGRID No. <b>16696</b>	Operator Name <b>OXY USA INC.</b>	Elevation <b>3368.4'</b>

Surface Location

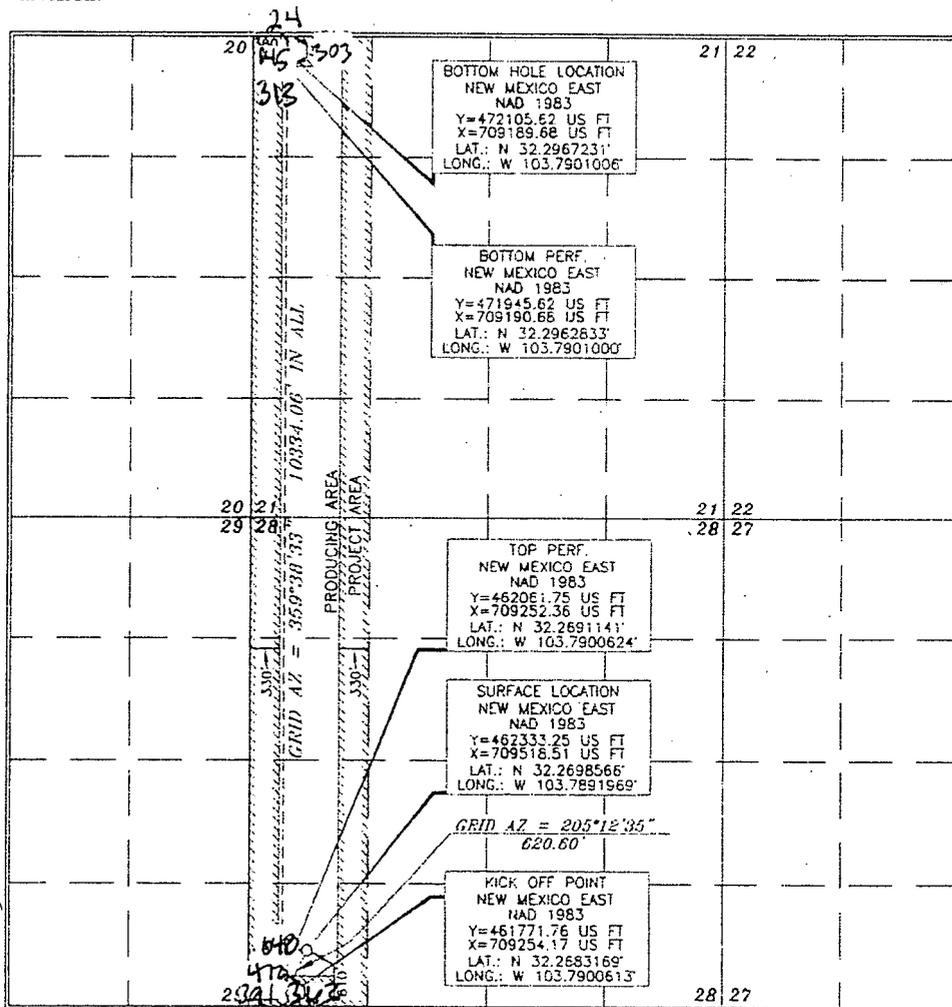
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	23 SOUTH	31 EAST, N.M.P.M.		610'	SOUTH	648'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	23 SOUTH	31 EAST, N.M.P.M.		24	NORTH	303'	WEST	EDDY

Dedicated Acres <b>320</b>	Joint or Infill	Consolidation Code	Order No. <b>FTP: 472' FSL 321' FWL LTP: 145' FNL 313' FWL</b>
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order to be enforced by the division.

**Sarah Chapman** 12/19/18  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
**Sarah Chapman**  
Printed Name  
**sarah\_chapman@oxy.com**  
E-mail Address

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from **ORIGINAL** actual surveys made by the **REGISTERED** surveyor, and that the same is true and correct to the best of my belief.

**TERRY J. ASH**  
Date of Survey: **SEPTEMBER 20, 2017**  
Signature and Seal: \_\_\_\_\_  
Professional Surveyor  
**15079**  
Certificate Number  
**15079**  
WO# 170920WL-b (KA)

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District IV  
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
DISTRICT ARTESIA O.C.D.  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Permit one copy to appropriate  
District Office

AMENDED REPORT  
AS-Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-45524	Pool Code 13367	Pool Name Cotton Draw Bmc Spring
Property Code 320832	Property Name CAL-MON "35" FEDERAL	Well Number 175H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3472.5'

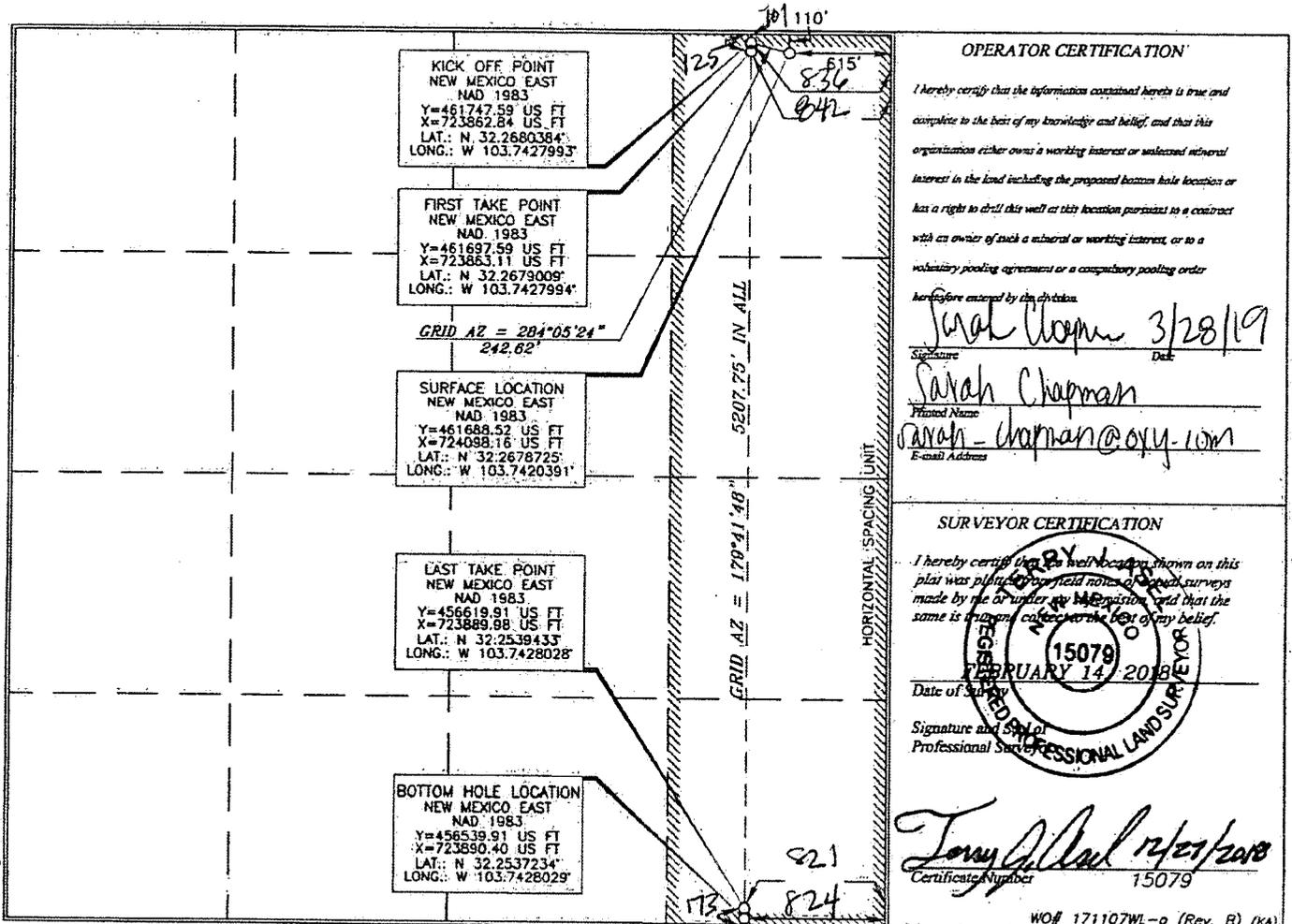
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	23 SOUTH	31 EAST, N.M.P.M.		110'	NORTH	615'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	23 SOUTH	31 EAST, N.M.P.M.		17	SOUTH	824	EAST	EDDY
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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SEP 12 2018

District I  
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State of New Mexico  
Energy, Minerals & Natural Resources Department DISTRICT II-ARTESIA O&G  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT  
(As-Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44774	Pool Code 13367	Pool Name COTTON DRAW; BONE SPRING
Property Code 320823	Property Name CAL-MON MDP1 "35" FEDERAL	
OGRID No. 16696	Operator Name OXY USA INC.	
		Well Number 4H
		Elevation 3462.3'

Surface Location

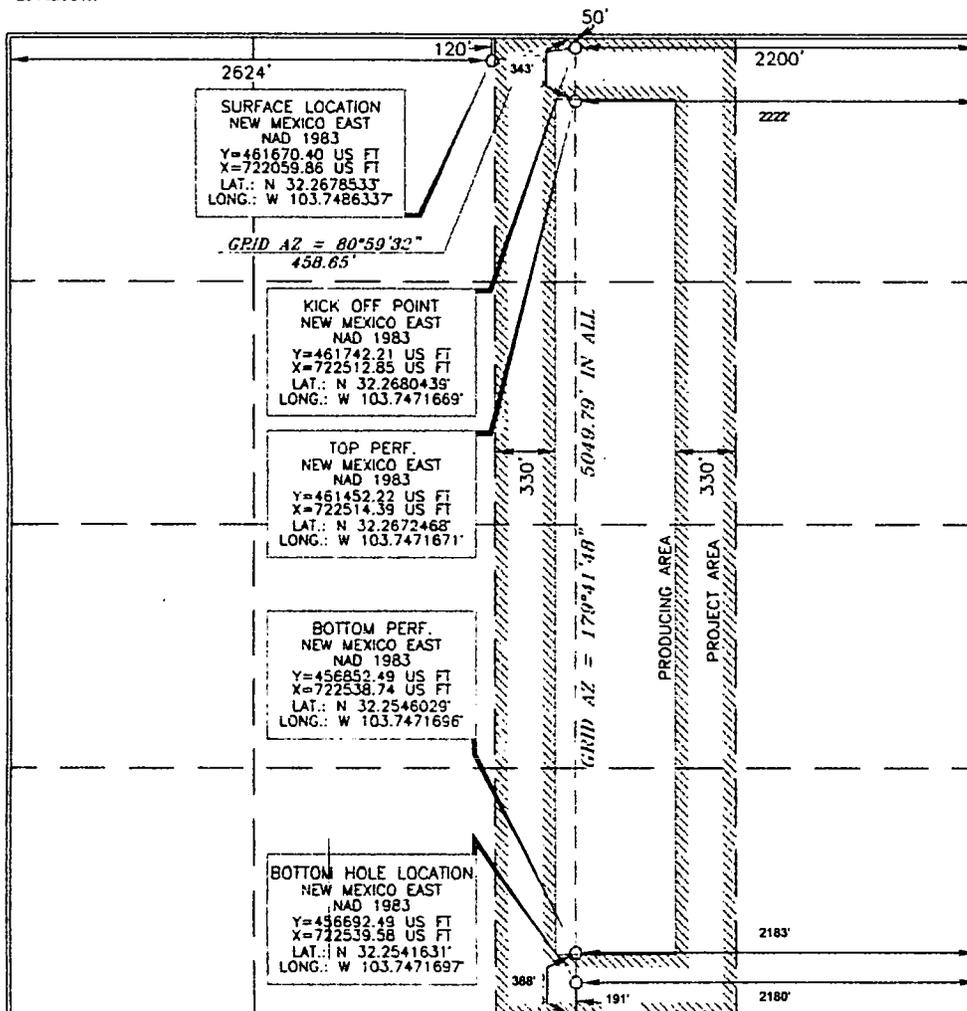
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	23 SOUTH	31 EAST, N.M.P.M.		120'	NORTH	2624'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	35	23 SOUTH	31 EAST, N.M.P.M.		191'	SOUTH	2180'	EAST	EDDY

Dedicated Acres 160	Joint or Infill Y	Consolidation Code	Order No. TP: 343 FNL 2222 FEL BP: 368 FSL 2183 FEL
------------------------	----------------------	--------------------	--------------------------------------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Sarah Mitchell* Date: 6/6/18

Printed Name: Sarah Mitchell  
E-mail Address: sarah\_mitchell@oxy.com

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from the original or actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date of Survey: NOVEMBER 8, 2016

Signature and Title: *Terry J. As...* PROFESSIONAL LAND SURVEYOR

Certificate Number: 15079

WO# 151108WL-b (KA)

District I  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**NM OIL CONSERVATION**  
ARTESIA DISTRICT  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

**MAY 10 2018**

AMENDED REPORT  
**RECEIVED**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-44775	Pool Code 13367	Pool Name COTTON DRAW, BONE SPRING
Property Code 320832	Property Name CAL-MON MDP1 "35" FEDERAL	Well Number 5H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3469.0'

**Surface Location**

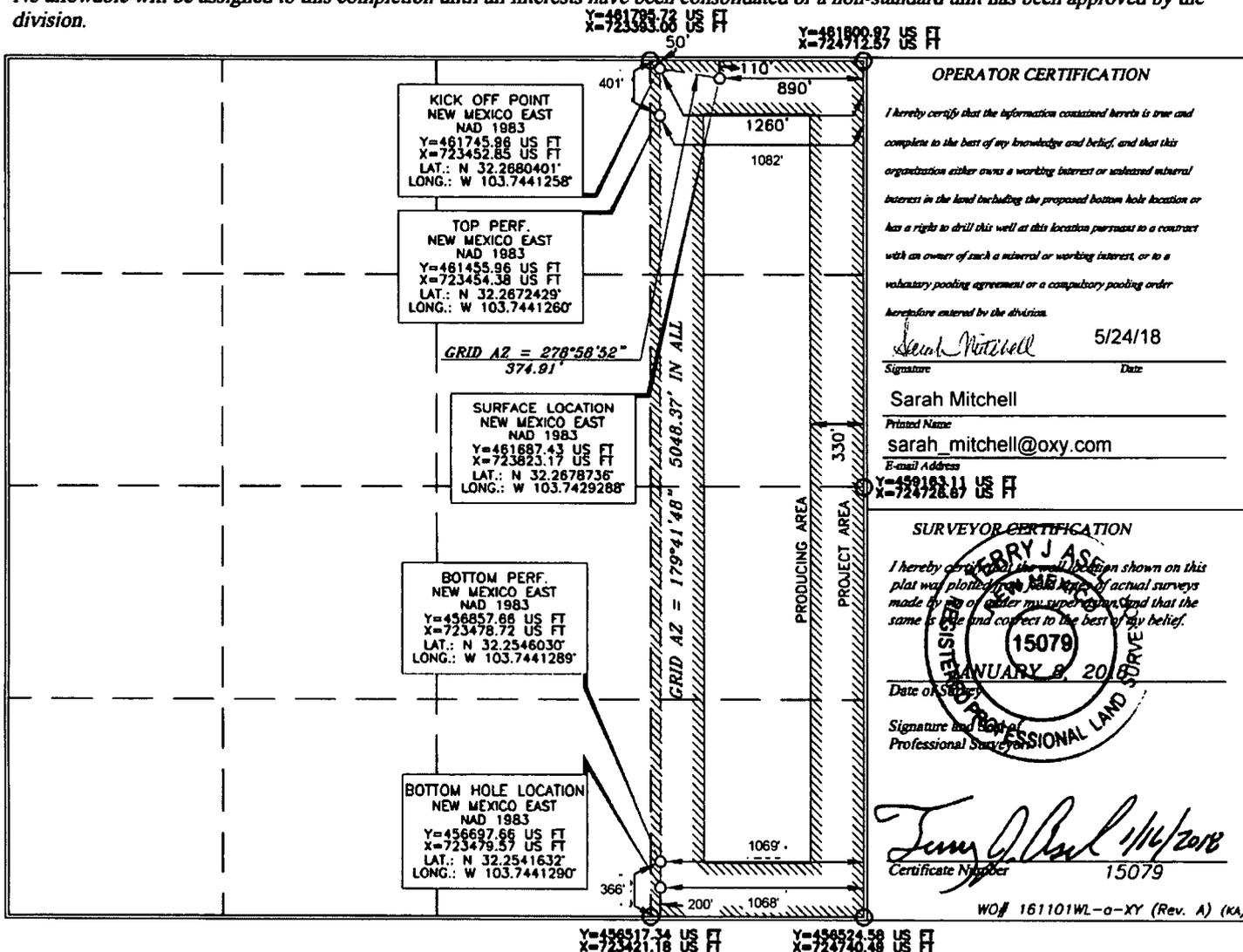
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	23 SOUTH	31 EAST, N.M.P.M.		110'	NORTH	890'	EAST	EDDY

**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	23 SOUTH	31 EAST, N.M.P.M.		200'	SOUTH	1068'	EAST	EDDY

Dedicated Acres 160	Joint or Infill Y	Consolidation Code	Order No. NSL 7593 TP: 401 FNL 1082 FEL, BP: 366 FSL 1069 FEL
------------------------	----------------------	--------------------	------------------------------------------------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Sarah Mitchell Date: 5/24/18

Printed Name: Sarah Mitchell  
E-mail Address: sarah\_mitchell@oxy.com

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date of Survey: JANUARY 8, 2018  
Signature and Seal: [Professional Land Surveyor Seal - 15079]  
Certificate Number: 15079

WO# 161101WL-a-XY (Rev. A) (KA)



Side 2

PERF

Tubing Size: 2-7/8" Lining Material: \_\_\_\_\_

Type of Packer: WATSON AS1X 10K PACKER 20-23# 5.5"

Packer Setting Depth: 9710' MD/9700' TVD

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? \_\_\_\_\_ Yes X No

If no, for what purpose was the well originally drilled? \_\_\_\_\_

PRODUCER-OIL

2. Name of the Injection Formation: \_\_\_\_\_

3. Name of Field or Pool (if applicable): [13367] COTTON DRAW; BONE SPRING

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. \_\_\_\_\_

NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Side 2

PERF

Tubing Size: 2-7/8" Lining Material: \_\_\_\_\_

Type of Packer: WEATHERFORD AS-1X PACKER

Packer Setting Depth: 8477' MD/8477' TVD

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? \_\_\_\_\_ Yes X No

If no, for what purpose was the well originally drilled? \_\_\_\_\_

PRODUCER-OIL

2. Name of the Injection Formation: \_\_\_\_\_

3. Name of Field or Pool (if applicable): [13740] COTTON DRAW; BONE SPRING

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. \_\_\_\_\_

NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Side 2

PERF

Tubing Size: 2-7/8" Lining Material: \_\_\_\_\_

Type of Packer: AS1-X PACKER 5.5"

Packer Setting Depth: 10,440' MD/10,421' TVD

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? \_\_\_\_\_ Yes X No

If no, for what purpose was the well originally drilled? \_\_\_\_\_

PRODUCER-OIL

2. Name of the Injection Formation: \_\_\_\_\_

3. Name of Field or Pool (if applicable): [98236] WC-015 G-08 S233135D; WOLFCAMP

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. \_\_\_\_\_

NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Side 2

PERF

Tubing Size: 2-7/8" Lining Material: \_\_\_\_\_

Type of Packer: WATSON AS1X 10K PACKER 20-23# 5.5"

Packer Setting Depth: 7997' MD/7910' TVD

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? \_\_\_\_\_ Yes X No

If no, for what purpose was the well originally drilled? \_\_\_\_\_

PRODUCER-OIL

2. Name of the Injection Formation: \_\_\_\_\_

3. Name of Field or Pool (if applicable): [33740] INGLE WELLS; BONE SPRING

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. \_\_\_\_\_

NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Side 2

PERF

Tubing Size: 2-7/8" Lining Material: \_\_\_\_\_

Type of Packer: WATSON AS1X 10K PACKER 20-23# 5.5"

Packer Setting Depth: 9781' MD/9712' TVD

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? \_\_\_\_\_ Yes X \_\_\_\_\_ No

If no, for what purpose was the well originally drilled? \_\_\_\_\_

PRODUCER-OIL

2. Name of the Injection Formation: \_\_\_\_\_

3. Name of Field or Pool (if applicable): [13367] COTTON DRAW; BONE SPRING

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. \_\_\_\_\_

NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Side 1

OPERATOR: OXY USA INC

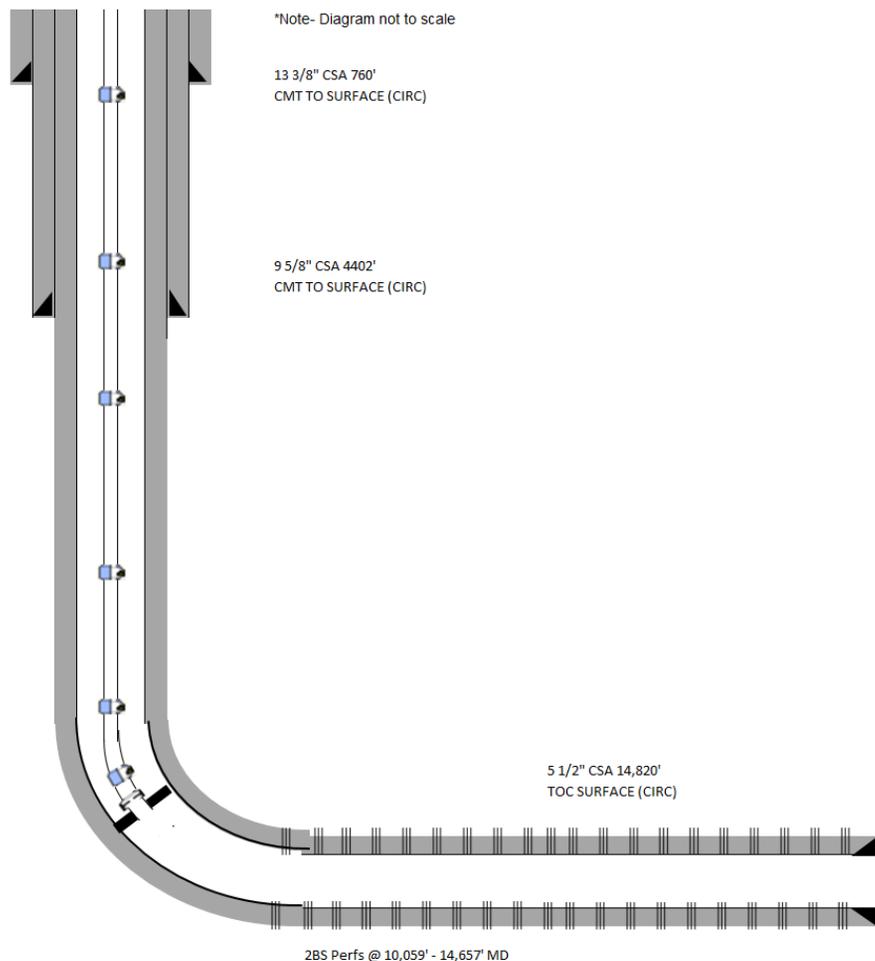
WELL NAME & NUMBER: CAL MON MDP1 35 FEDERAL 2H

WELL LOCATION: 227' FNL 1112' FWL                      D                      35                      23S                      31E  
 FOOTAGE LOCATION                      UNIT LETTER                      SECTION                      TOWNSHIP                      RANGE

**WELLBORE SCHEMATIC**

**WELL CONSTRUCTION DATA**  
Surface Casing

CAL MON MDP1 35 FEDERAL 002H



Hole Size: 17.5"                      Casing Size: 13-3/8"  
 Cemented with: 920                      sx.                      *or*                      \_\_\_\_\_ ft<sup>3</sup>  
 Top of Cement: SURFACE                      Method Determined: CIRC

Intermediate Casing

Hole Size: 12.25"                      Casing Size: 9-5/8"  
 Cemented with: 1380                      sx.                      *or*                      \_\_\_\_\_ ft<sup>3</sup>  
 Top of Cement: SURFACE                      Method Determined: CIRC

Production Casing

Hole Size: 8.5                      Casing Size: 5.5"  
 Cemented with: 2628                      sx.                      *or*                      \_\_\_\_\_ ft<sup>3</sup>  
 Top of Cement: SURFACE                      Method Determined: CIRC  
 Total Depth: 14,820' MD/10,101' TVD

Injection Interval

10,059' MD/9940' TVD                      feet                      to 14,657' MD/10,101' TVD

(Perforated or Open Hole; indicate which)

Side 2

PERF

Tubing Size: 2-7/8" Lining Material: \_\_\_\_\_

Type of Packer: WATSON AS1X 10K PACKER 20-23# 5.5"

Packer Setting Depth: 9759' MD/9726' TVD

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? \_\_\_\_\_ Yes X No

If no, for what purpose was the well originally drilled? \_\_\_\_\_

PRODUCER-OIL

2. Name of the Injection Formation: \_\_\_\_\_

3. Name of Field or Pool (if applicable): [13367] COTTON DRAW; BONE SPRING

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. \_\_\_\_\_

NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Side 2

PERF

Tubing Size: 2-7/8" Lining Material: \_\_\_\_\_

Type of Packer: WATSON AS1X 10K PACKER 20-23# 5.5"

Packer Setting Depth: 10,038' MD/9991 TVD

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data

1. Is this a new well drilled for injection? \_\_\_\_\_ Yes X \_\_\_\_\_ No

If no, for what purpose was the well originally drilled? \_\_\_\_\_

PRODUCER-OIL

2. Name of the Injection Formation: \_\_\_\_\_

3. Name of Field or Pool (if applicable): [13367] COTTON DRAW; BONE SPRING

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. \_\_\_\_\_

NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

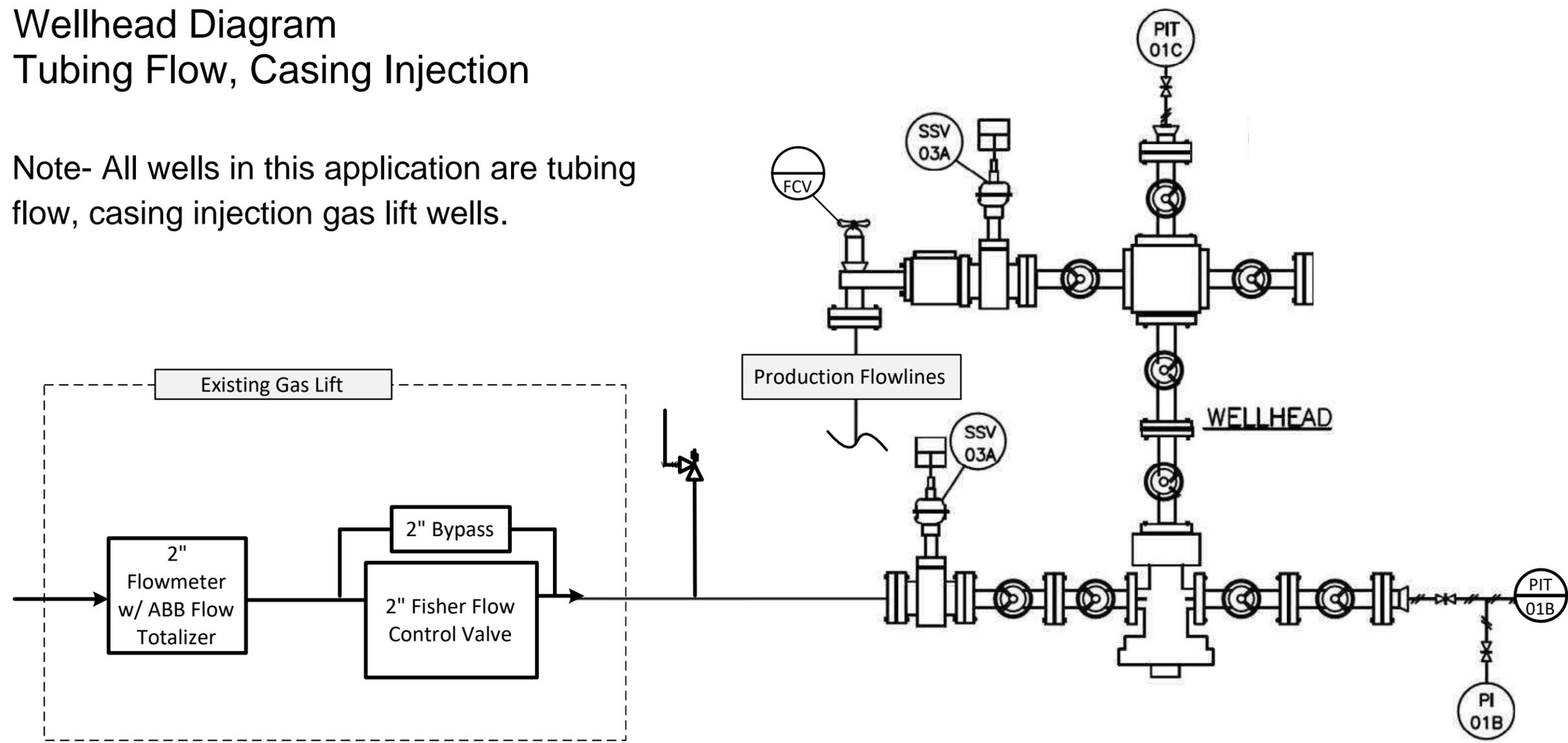
\_\_\_\_\_

### Max Allowable Surface Pressure (MASP) Table North Corridor

	Column	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Calculation									(1+6*7)/8		1/10				(1+12*13)/(12*14)
API10	Well Name	Proposed Max Allowable Surface Pressure (MASP) (PSI)	Current Average Surface Pressure (PSI)	Max Achievable Surface Pressure, Current Infrastructure (PSI)	Proposed Average Injection Rate (MMSCFD)	Proposed Max Injection Rate (MMSCFD)	Burst Calculation Depth (FT TVD)	Brine Pressure Gradient (PSI/FT)	Casing or Liner Burst (PSI)	MASP + Reservoir Brine Hydrostatic as a percentage of Casing or Liner Burst Pressure (%)	Top Perforation Depth (FT TVD)	MASP Gradient (PSI/FT)	Top Perforation Depth (FT TVD)	Gas Pressure Gradient (PSI/FT)	Formation Parting Pressure Gradient (PSI/FT)	MASP + Gas Hydrostatic as a percentage of Formation Parting Pressure (%)
3001544771	CALMON-35-1H	1,250	860	1,250	1.8	2.0	10,028	0.468	12,360	48%	10,028	0.125	10,028	0.200	0.650	50%
3001544772	CALMON-35-2H	1,250	730	1,250	1.8	2.0	9,940	0.468	12,360	48%	9,940	0.126	9,940	0.200	0.650	50%
3001543140	CAL-MON41HST	1,250	570	1,250	1.8	2.0	8,584	0.468	6,890	76%	10,295	0.121	10,295	0.200	0.650	49%
3001545074	IRI28-21-21H	1,250	560	1,250	1.8	3.0	8,664	0.468	12,360	43%	8,664	0.144	8,664	0.200	0.650	53%
3001545524	CAL-MON-175H	1,250	775	1,250	1.8	2.0	10,549	0.468	12,360	50%	10,549	0.118	10,549	0.200	0.650	49%
3001544774	CALMON-35-4H	1,250	810	1,250	1.8	2.0	10,226	0.468	12,360	49%	10,226	0.122	10,226	0.200	0.650	50%
3001544775	CALMON-35-5H	1,250	755	1,250	1.8	2.0	10,012	0.468	12,360	48%	10,012	0.125	10,012	0.200	0.650	50%

# Wellhead Diagram Tubing Flow, Casing Injection

Note- All wells in this application are tubing flow, casing injection gas lift wells.



KEY	
SSV	– Safety Shutdown Valve
PI	– Pressure Indicator
PIT	– Pressure Indicating Transmitter
FCV	– Flow Control Valve

## Mechanical Integrity Test (MIT) Summary Table

API10	Well Name	MIT #1		MIT #2	
		Date	Surface Pressure	Date	Surface Pressure
3001544771	CALMON-35-1H	5/18/2018	9800 psi for 30 min		
3001544772	CALMON-35-2H	5/18/2018	9800 psi for 30 min	5/22/2018	CBL run from 10,344' to surface with 1000 psi
3001543140	CAL-MON41HST	8/22/2017	9500 psi for 30 min	8/24/2017	1000 psi, no time given
3001545074	IRI28-21-21H	12/5/2018	9800 psi for 30 min	12/5/2018	CBL run from TD to surface with 1000 psi
3001545524	CAL-MON-175H	3/5/2019	9800 psi for 30 min		
3001544774	CALMON-35-4H	5/5/2018	9800 psi for 30 min	5/6/2018	CBL run from TD to surface with 1000 psi
3001544775	CALMON-35-5H	4/21/2018	9800 psi for 30 min	4/22/2018	CBL run from 9700' to surface with 1000 psi

# Gas Analysis and Operations

## Iridium/Calmon Gas Source Well List

Name	Route Name	API 14
CAL-MON 018	SE_CALMON ROUTE	30015280260000
STERLING SILVER 34 003	SE_CALMON ROUTE	30015279370000
CAL MON MDP1 35 FED 001H	SE_CALMON ROUTE	30015447710000
CAL MON MDP1 35 FED 002H	SE_CALMON ROUTE	30015447720000
CAL MON MDP1 35 FED 003H	SE_CALMON ROUTE	30015447730000
CAL MON MDP1 35 FED 004H	SE_CALMON ROUTE	30015447740000
CAL MON MDP1 35 FED 005H	SE_CALMON ROUTE	30015447750000
CAL MON MDP1 35 FED 006H	SE_CALMON ROUTE	30015447760000
CAL-MON 006	SE_CALMON ROUTE	30015268850000
CAL-MON 007	SE_CALMON ROUTE	30015270810000
CAL-MON 008	SE_CALMON ROUTE	30015271130000
CAL-MON 009	SE_CALMON ROUTE	30015272060000
CAL-MON 010	SE_CALMON ROUTE	30015272690000
CAL-MON 011	SE_CALMON ROUTE	30015272230000
CAL-MON 012Q	SE_CALMON ROUTE	30015316450000
CAL-MON 017	SE_CALMON ROUTE	30015280240000
TRIPLE S 33 FEDERAL 001	SE_CALMON ROUTE	30015257690000
CAL-MON 019	SE_CALMON ROUTE	30015274960000
CAL-MON 020	SE_CALMON ROUTE	30015275490000
CAL-MON 35 FED 171H	SE_CALMON ROUTE	30015442690100
CAL-MON 35 FED 172H	SE_CALMON ROUTE	30015455210000
CAL-MON 35 FED 173H	SE_CALMON ROUTE	30015455220000
CAL-MON 35 FED 174H	SE_CALMON ROUTE	30015455230000
CAL-MON 35 FED 175H	SE_CALMON ROUTE	30015455240000
CAL-MON 35 FED 176H ST	SE_CALMON ROUTE	30015455250100
CAL-MON FEDERAL 35 41H ST2	SE_CALMON ROUTE	30015431400200
STERLING SILVER 33 017	SE_CALMON ROUTE	30015338920000
STERLING SILVER 33 011	SE_CALMON ROUTE	30015276110000
FNR 26 FEDERAL #2H	SE_CALMON ROUTE	30015416470000
FNR 26 FEDERAL #4H	SE_CALMON ROUTE	30015410120000
FNR 26 FEDERAL 001	SE_CALMON ROUTE	30015304120000
FNR 35 FEDERAL #1H	SE_CALMON ROUTE	30015422750000
FNR 35 FEDERAL #3H	SE_CALMON ROUTE	30015422980000
IRIDIUM MDP1 28-21 FED COM 11H	SE_GOLD ROUTE	30015450730100
IRIDIUM MDP1 28-21 FED COM 171H	SE_GOLD ROUTE	30015450760100
IRIDIUM MDP1 28-21 FED COM 21H	SE_GOLD ROUTE	30015450740000
IRIDIUM MDP1 28-21 FED COM 41H	SE_GOLD ROUTE	30015450750000
IRIDIUM MDP1 28-21 FEDERAL COM 173H	SE_GOLD ROUTE	30015452490000
IRIDIUM MDP1 28-21 FEDERAL COM 175H	SE_GOLD ROUTE	30015453330000
IRIDIUM MDP1 28-21 FEDERAL COM 176H	SE_GOLD ROUTE	30015453340000
IRIDIUM MDP1 28-21 FEDERAL COM 1H	SE_GOLD ROUTE	30015452420000
IRIDIUM MDP1 28-21 FEDERAL COM 2H	SE_GOLD ROUTE	30015452430000
IRIDIUM MDP1 28-21 FEDERAL COM 3H	SE_GOLD ROUTE	30015452440000
IRIDIUM MDP1 28-21 FEDERAL COM 4H	SE_GOLD ROUTE	30015452450000

IRIDIUM MDP1 28-21 FEDERAL COM 5H	SE_GOLD ROUTE	30015452460000
IRIDIUM MDP1 28-21 FEDERAL COM 6H	SE_GOLD ROUTE	30015452470000
PLATINUM MDP1 34-3 FED COM 13H	SE_PLATINUM ROUTE	30015461790000
PLATINUM MDP1 34-3 FED COM 14H	SE_PLATINUM ROUTE	30015461800000
PLATINUM MDP1 34-3 FED COM 171H	SE_PLATINUM ROUTE	30015452300000
PLATINUM MDP1 34-3 FED COM 172H	SE_PLATINUM ROUTE	30015452310000
PLATINUM MDP1 34-3 FED COM 174H	SE_PLATINUM ROUTE	30015452320000
PLATINUM MDP1 34-3 FED COM 175H	SE_PLATINUM ROUTE	30015452510000
PLATINUM MDP1 34-3 FED COM 176H	SE_PLATINUM ROUTE	30015452330000
PLATINUM MDP1 34-3 FED COM 177H	SE_PLATINUM ROUTE	30015460460000
PLATINUM MDP1 34-3 FED COM 1H	SE_PLATINUM ROUTE	30015452260000
PLATINUM MDP1 34-3 FED COM 23H	SE_PLATINUM ROUTE	30015461920000
PLATINUM MDP1 34-3 FED COM 24H	SE_PLATINUM ROUTE	30015461930000
PLATINUM MDP1 34-3 FED COM 25H	SE_PLATINUM ROUTE	30015465580000
PLATINUM MDP1 34-3 FED COM 26H	SE_PLATINUM ROUTE	30015465590000
PLATINUM MDP1 34-3 FED COM 2H	SE_PLATINUM ROUTE	30015452270000
PLATINUM MDP1 34-3 FED COM 3H	SE_PLATINUM ROUTE	30015452280000
PLATINUM MDP1 34-3 FED COM 4H	SE_PLATINUM ROUTE	30015452290000
PLATINUM MDP1 34-3 FED COM 5H	SE_PLATINUM ROUTE	30015451710000
PLATINUM MDP1 34-3 FED COM 6H	SE_PLATINUM ROUTE	30015451720000
PLATINUM MDP1 34-3 FED COM 7H	SE_PLATINUM ROUTE	30015452500000
STERLING SILVER 33 FED 012	SE_CALMON ROUTE	30015349430000
STERLING SILVER 3 006	SE_CALMON ROUTE	30015276380000
STERLING SILVER 33 005	SE_CALMON ROUTE	30015274240000
PURE GOLD MDP1 29-17 FEDERAL COM 1H	SE_GOLD ROUTE	30015456450000
PURE GOLD MDP1 29-17 FEDERAL COM 2H	SE_GOLD ROUTE	30015456460000
PURE GOLD MDP1 29-17 FEDERAL COM 3H	SE_GOLD ROUTE	30015456470000
PURE GOLD MDP1 29-17 FEDERAL COM 4H	SE_GOLD ROUTE	30015456480000
PURE GOLD MDP1 29-17 FEDERAL COM 5H	SE_GOLD ROUTE	30015456490000
PURE GOLD MDP1 29-17 FEDERAL COM 6H	SE_GOLD ROUTE	30015456500000
STERLING SILVER 3 007	SE_CALMON ROUTE	30015277140000
STERLING SILVER 3 001	SE_CALMON ROUTE	30015258310000
STERLING SILVER 3 002	SE_CALMON ROUTE	30015282820000
STERLING SILVER 3 003	SE_CALMON ROUTE	30015281840000
STERLING SILVER 3 004	SE_CALMON ROUTE	30015282830000
STERLING SILVER 3 005	SE_CALMON ROUTE	30015276370000
STERLING SILVER 33 006	SE_CALMON ROUTE	30015278120000
STERLING SILVER 3 008Q	SE_CALMON ROUTE	30015324770000
STERLING SILVER 33 002	SE_CALMON ROUTE	30015256960000
STERLING SILVER 33 007	SE_CALMON ROUTE	30015275880000
STERLING SILVER 33 008	SE_CALMON ROUTE	30015276010000
STERLING SILVER 33 009	SE_CALMON ROUTE	30015339750001
STERLING SILVER 33 010	SE_CALMON ROUTE	30015275500000
STERLING SILVER 33 014	SE_CALMON ROUTE	30015275520000
STERLING SILVER 33 015	SE_CALMON ROUTE	30015292750000
STERLING SILVER 33 016	SE_CALMON ROUTE	30015310910000
STERLING SILVER 33 018	SE_CALMON ROUTE	30015327670000

STERLING SILVER 33 FEDERAL 001H	SE_CALMON ROUTE	30015398310100
STERLING SILVER 34 002	SE_CALMON ROUTE	30015279360000
STERLING SILVER 34 004	SE_CALMON ROUTE	30015310920000
STERLING SILVER 34 005	SE_CALMON ROUTE	30015282400000
STERLING SILVER 34 006	SE_CALMON ROUTE	30015282390000
STERLING SILVER 34 007	SE_CALMON ROUTE	30015312480000
STERLING SILVER 34 008	SE_CALMON ROUTE	30015310930000
STERLING SILVER MDP1 33-4 FED COM 171H	SE_SILVER ROUTE	30015453360000
STERLING SILVER MDP1 33-4 FED COM 172H ST1	SE_SILVER ROUTE	30015453370100
STERLING SILVER MDP1 33-4 FED COM 175H	SE_SILVER ROUTE	30015453880000
STERLING SILVER MDP1 33-4 FED COM 177H	SE_SILVER ROUTE	30015460470000
STERLING SILVER MDP1 33-4 FED COM 178H	SE_SILVER ROUTE	30015460480000
STERLING SILVER MDP1 33-4 FED COM 1H	SE_SILVER ROUTE	30015453350000
STERLING SILVER MDP1 33-4 FED COM 2H	SE_SILVER ROUTE	30015453900000
STERLING SILVER MDP1 33-4 FED COM 3H	SE_SILVER ROUTE	30015453910000
STERLING SILVER MDP1 33-4 FED COM 5H	SE_SILVER ROUTE	30015453930000
STERLING SILVER MDP1 33-4 FED COM 6H	SE_SILVER ROUTE	30015453860000
STERLING SILVER MDP1 33-4 FED COM 7H	SE_SILVER ROUTE	30015453890000
STERLING SILVER MDP1 33-4 FED COM 8H	SE_SILVER ROUTE	30015453870000

## North Corridor Gas Analysis Summary

- All producing wells flow to the following Central Tank Batteries (CTB).
  - Gold CTB
  - Iridium CTB
  - Silver CTB
  - Precious CTB
  - Platinum CTB
  - Calmon CTB
- Gas flows into the low-pressure gas pipeline to the following Compressor Gas Lift Stations (CGL's).
  - Boo CGL Station
  - North Corridor 28 West CGL Station
  - North Corridor East CGL Station
  - Calmon CGL Station
- The CGL's combine downstream in the same gas lift line to feed wells collectively.
- Gas analysis is provided for:
  - Boo CGL Station
  - North Corridor 28 West CGL Station
  - North Corridor East CGL Station
  - Cal Mon Gas Lift Meter
  - Avalon production
  - 2<sup>nd</sup> Bone Spring production
  - Harkey production

Boo CGL



# Certificate of Analysis

Number: 6030-21050197-001A

**Artesia Laboratory**  
 200 E Main St.  
 Artesia, NM 88210  
 Phone 575-746-3481

Chandler Montgomery  
 Occidental Petroleum  
 1502 W Commerce Dr.  
 Carlsbad, NM 88220

May 21, 2021

Field: Boo  
 Station Name: Oxy Boo Outlet  
 Station Number: 17521C  
 Station Location: Comp Station  
 Sample Point: Meter  
 Formation: Monthly  
 County: Eddy  
 Type of Sample: : Spot-Cylinder  
 Heat Trace Used: N/A  
 Sampling Method: : Fill and Purge  
 Sampling Company: : SPL

Sampled By: Michael Mirabal  
 Sample Of: Gas Spot  
 Sample Date: 05/19/2021 02:42  
 Sample Conditions: 1301 psia, @ 119 °F Ambient: 84 °F  
 Effective Date: 05/19/2021 02:42  
 Method: GPA-2261M  
 Cylinder No: 1111-001214  
 Instrument: 70104124 (Inficon GC-MicroFusion)  
 Last Inst. Cal.: 05/18/2021 0:00 AM  
 Analyzed: 05/21/2021 13:44:58 by EJ R

## Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia		
Hydrogen Sulfide	0.000	0.000	0.000		GPM TOTAL C2+	7.295
Nitrogen	1.812	1.812	2.233		GPM TOTAL C3+	3.584
Methane	71.345	71.345	50.341		GPM TOTAL iC5+	0.501
Carbon Dioxide	0.939	0.939	1.818			
Ethane	13.898	13.898	18.381	3.711		
Propane	7.529	7.529	14.603	2.071		
Iso-butane	0.948	0.948	2.424	0.310		
n-Butane	2.231	2.231	5.704	0.702		
Iso-pentane	0.443	0.443	1.406	0.162		
n-Pentane	0.448	0.448	1.422	0.162		
Hexanes Plus	0.407	0.407	1.668	0.177		
	100.000	100.000	100.000	7.295		

**Calculated Physical Properties**

	Total	C6+
Relative Density Real Gas	0.7880	3.2176
Calculated Molecular Weight	22.74	93.19
Compressibility Factor	0.9959	

**GPA 2172 Calculation:**

**Calculated Gross BTU per ft<sup>3</sup> @ 14.65 psia & 60°F**

Real Gas Dry BTU	1317	5113
Water Sat. Gas Base BTU	1295	5024
Ideal, Gross HV - Dry at 14.65 psia	1312.0	5113.2
Ideal, Gross HV - Wet	1289.0	5023.7
Net BTU Dry Gas - real gas	1197	
Net BTU Wet Gas - real gas	1177	

**Comments:** H2S Field Content 0 ppm  
 Mcf/day 34643

Report generated by: Eric Ramirez

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



# Certificate of Analysis

Number: 6030-21050197-003A

**Artesia Laboratory**  
 200 E Main St.  
 Artesia, NM 88210  
 Phone 575-746-3481

Chandler Montgomery  
 Occidental Petroleum  
 1502 W Commerce Dr.  
 Carlsbad, NM 88220

May 21, 2021

Field:	Pure Gold	Sampled By:	Michael Mirabal
Station Name:	Sand Dunes NCW CGL	Sample Of:	Gas Spot
Station Number:	17505C	Sample Date:	05/19/2021 02:19
Station Location:	Comp Station	Sample Conditions:	84 psia, @ 81 °F Ambient: 85 °F
Sample Point:	Meter	Effective Date:	05/19/2021 02:19
Formation:	Monthly	Method:	GPA-2261M
County:	Eddy	Cylinder No:	5030-00508
Type of Sample:	Spot-Cylinder	Instrument:	6030_GC6 (Inficon GC-3000 Micro)
Heat Trace Used:	N/A	Last Inst. Cal.:	05/03/2021 0:00 AM
Sampling Method:	Fill and Purge	Analyzed:	05/21/2021 13:45:47 by KNF
Sampling Company:	SPL		

## Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia		
Hydrogen Sulfide	0.000	0.000	0.000		GPM TOTAL C2+	7.239
Nitrogen	2.330	2.344	2.830		GPM TOTAL C3+	3.828
Methane	70.698	71.109	49.168		GPM TOTAL iC5+	0.796
Carbon Dioxide	1.258	1.265	2.400			
Ethane	12.700	12.774	16.556	3.411		
Propane	7.072	7.113	13.519	1.957		
Iso-butane	0.952	0.958	2.400	0.313		
n-Butane	2.406	2.420	6.063	0.762		
Iso-pentane	0.554	0.557	1.732	0.203		
n-Pentane	0.585	0.588	1.829	0.213		
Hexanes Plus	0.867	0.872	3.503	0.380		
	99.422	100.000	100.000	7.239		

<b>Calculated Physical Properties</b>	<b>Total</b>	<b>C6+</b>
Relative Density Real Gas	0.8042	3.2176
Calculated Molecular Weight	23.20	93.19
Compressibility Factor	0.9957	

**GPA 2172 Calculation:**

**Calculated Gross BTU per ft<sup>3</sup> @ 14.65 psia & 60°F**

Real Gas Dry BTU	1325	5113
Water Sat. Gas Base BTU	1303	5024
Ideal, Gross HV - Dry at 14.65 psia	1319.8	5113.2
Ideal, Gross HV - Wet	1296.7	5023.7
Net BTU Dry Gas - real gas	1205	
Net BTU Wet Gas - real gas	1184	

**Comments:** H2S Field Content 0 ppm  
 Mcf/day 20921

Report generated by: Eric Ramirez

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

NC East CGL



# Certificate of Analysis

Number: 6030-20120099-004A

**Artesia Laboratory**  
 200 E Main St.  
 Artesia, NM 88210  
 Phone 575-746-3481

Chandler Montgomery  
 Occidental Petroleum  
 1502 W Commerce Dr.  
 Carlsbad, NM 88220

Dec. 15, 2020

Field:	Sundance	Sampled By:	Michael Mirabal
Station Name:	Sand Dunes NCE CGL Check	Sample Of:	Gas Spot
Station Number:	17500C	Sample Date:	12/11/2020 02:17
Station Location:	OXY	Sample Conditions:	94 psia, @ 66 °F Ambient: 62 °F
Sample Point:	Downstream	Effective Date:	12/11/2020 02:17
Formation:	Monthly	Method:	GPA-2261M
County:	Eddy	Cylinder No:	5030-01146
Type of Sample:	Spot-Cylinder	Instrument:	6030_GC6 (Inficon GC-3000 Micro)
Heat Trace Used:	N/A	Last Inst. Cal.:	12/14/2020 0:00 AM
Sampling Method:	Fill and Purge	Analyzed:	12/15/2020 12:30:47 by KNF
Sampling Company:	SPL		

## Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia		
Nitrogen	1.604	1.593	1.985		GPM TOTAL C2+	6.847
Methane	74.468	73.947	52.782		GPM TOTAL C3+	3.543
Carbon Dioxide	0.485	0.482	0.944		GPM TOTAL iC5+	0.730
Ethane	12.461	12.374	16.554	3.304		
Propane	6.564	6.518	12.788	1.793		
Iso-butane	0.901	0.895	2.314	0.292		
n-Butane	2.329	2.313	5.981	0.728		
Iso-pentane	0.574	0.570	1.830	0.208		
n-Pentane	0.647	0.642	2.061	0.232		
Hexanes Plus	0.671	0.666	2.761	0.290		
	<u>100.704</u>	<u>100.000</u>	<u>100.000</u>	<u>6.847</u>		

<b>Calculated Physical Properties</b>	<b>Total</b>	<b>C6+</b>
Relative Density Real Gas	0.7789	3.2176
Calculated Molecular Weight	22.48	93.19
Compressibility Factor	0.9959	

**GPA 2172 Calculation:**

**Calculated Gross BTU per ft³ @ 14.65 psia & 60°F**

Real Gas Dry BTU	1318	5113
Water Sat. Gas Base BTU	1296	5024
Ideal, Gross HV - Dry at 14.65 psia	1313.0	5113.2
Ideal, Gross HV - Wet	1290.0	5023.7
Net BTU Dry Gas - real gas	1198	
Net BTU Wet Gas - real gas	1177	

**Comments:** H2S Field Content 0 ppm  
 Mcf/day 18277

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

Cal Mon Gas Lift Meter



Volumetrics US, Inc  
3001 N Cameron St, Victoria, TX-77901  
Tel: 361-827-4024

<b>Company:</b>	OXY USA INC	<b>Job ID:</b>	
<b>Field/Location :</b>	NMSE	<b>Sampled by:</b>	VOLUMETRICS/CE
<b>Station Name :</b>	CAL MON 35 FEDERAL 171H GAS LIFT	<b>Sample Type :</b>	SPOT-CYLINDER
<b>Station Number :</b>	171071	<b>Sample Temperature (F):</b>	96
<b>Sample Date:</b>	10/12/20 3:31 PM	<b>Sample Pressure (PSIG):</b>	1165
<b>Analysis Date:</b>	10/19/20 3:47 PM	<b>Flow rate (MCF/Day):</b>	571
<b>Instrument:</b>	VARIAN- 490 GC	<b>Ambient Air Temperature (F):</b>	67
<b>Calibration/Verification Date:</b>	9/30/2020	<b>Sampling method:</b>	FILL & EMPTY
<b>Heat Trace used:</b>	YES	<b>Cylinder Number:</b>	1013

**NATURAL GAS ANALYSIS: GPA 2261**

Components	Un-Normalized Mol%	Normalized Mol%	GPM 14.650	GPM 14.730	GPM 15.025
Hydrogen Sulfide	0.0000	0.0000			
Nitrogen	1.5007	1.4936			
Carbon Dioxide	0.2421	0.2410			
Methane	76.6586	76.2972			
Ethane	12.1266	12.0695	3.222	3.239	3.304
Propane	6.0069	5.9786	1.644	1.653	1.686
Isobutane	0.7521	0.7486	0.245	0.246	0.251
N-butane	1.8039	1.7954	0.565	0.568	0.579
Isopentane	0.3688	0.3671	0.134	0.135	0.137
N-Pentane	0.3989	0.3970	0.144	0.144	0.147
Hexanes Plus	0.6149	0.6120	0.267	0.268	0.273
<b>Total</b>	<b>100.4735</b>	<b>100.0000</b>			

Hexane Plus split (60%-30%-10%)

<b>Physical Properties (Calculated)</b>	<b>14.650 psia</b>	<b>14.730 psia</b>	<b>15.025 psia</b>
Total GPM Ethane+	6.219	6.253	6.378
Total GPM Iso-Pentane+	0.544	0.547	0.558
Compressibility (Z)	0.9962	0.9962	0.9961
Specific Gravity ( Air=1) @ 60 °F	0.7494	0.7494	0.7494
Molecular Weight	21.630	21.630	21.630

<b>Gross Heating Value</b>	<b>14.650 psia</b>	<b>14.730 psia</b>	<b>15.025 psia</b>
Dry, Real (BTU/Ft <sup>3</sup> )	1280.4	1287.4	1313.3
Wet, Real (BTU/Ft <sup>3</sup> )	1258.1	1265.0	1290.4
Dry, Ideal (BTU/Ft <sup>3</sup> )	1275.5	1282.5	1308.2
Wet, Ideal (BTU/Ft <sup>3</sup> )	1253.3	1260.2	1285.4

Temperature base 60 °F

**Comment:** H2S = 0 PPM

Verified by  
Mostaq Ahammad  
Petroleum Chemist

Approved by  
*Deann Friend*  
Deann Friend  
Laboratory Manager



**Certificate of Analysis**  
 Number: 6030-21040026-010A

**Artesia Laboratory**  
 200 E Main St.  
 Artesia, NM 88210  
 Phone 575-746-3481

Chandler Montgomery  
 Occidental Petroleum  
 1502 W Commerce Dr.  
 Carlsbad, NM 88220

Apr. 08, 2021

Field:	Sand Dunes	Sampled By:	Javier Lazo
Station Name:	Patton MDP1 18-33H/Sand Dunes CTB Test	Sample Of:	Gas Spot
Station Number:	17005T	Sample Date:	03/30/2021 12:14
Station Location:	OXY	Sample Conditions:	97 psig. @ 86 °F Ambient: 62 °F
Sample Point:	Downstream	Effective Date:	03/30/2021 12:14
Formation:	Monthly	Method:	GPA-2261M
County:	Eddy	Cylinder No:	1111-001222
Type of Sample :	Spot-Cylinder	Instrument:	70104251 (Inficon GC-MicroFusion)
Heat Trace Used:	N/A	Last Inst. Cal.:	04/05/2021 0:00 AM
Sampling Method :	Fill and Purge	Analyzed:	04/08/2021 13:35:42 by KJM
Sampling Company :	SPL		

**Analytical Data**

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia
Hydrogen Sulfide	NIL	NIL	NIL	
Nitrogen	2.539	2.54846	2.978	
Carbon Dioxide	11.734	11.77741	21.620	
Methane	68.371	68.62596	45.921	
Ethane	9.049	9.08311	11.392	2.425
Propane	4.653	4.67003	8.590	1.284
Iso-Butane	0.526	0.52766	1.279	0.172
n-Butane	1.337	1.34228	3.254	0.422
Iso-Pentane	0.358	0.35903	1.080	0.131
n-Pentane	0.396	0.39697	1.195	0.144
Hexanes	0.273	0.27432	0.986	0.113
Heptanes	0.325	0.32601	1.363	0.150
Octanes	0.044	0.04376	0.208	0.022
Nonanes Plus	0.025	0.02500	0.134	0.014
	99.630	100.00000	100.000	4.877

<b>Calculated Physical Properties</b>	<b>Total</b>	<b>C9+</b>
Calculated Molecular Weight	23.97	128.26
Compressibility Factor	0.9962	
Relative Density Real Gas	0.8306	4.4283
<b>GPA 2172 Calculation:</b>		
<b>Calculated Gross BTU per ft<sup>3</sup> @ 14.65 psia &amp; 60°F</b>		
Real Gas Dry BTU	1098.8	6974.4
Water Sat. Gas Base BTU	1080.0	6852.4
Ideal, Gross HV - Dry at 14.65 psia	1094.6	6974.4
Ideal, Gross HV - Wet	1075.5	6852.4

**Comments:** H2S Field Content 0 ppm  
 1162 Mcf/day

**Chandler Montgomery**

Digitally signed by Chandler Montgomery  
 Date: 2021.04.13 12:22:35 -06'00'

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 6030-21040026-007A

Artesia Laboratory  
 200 E Main St  
 Artesia, NM 88210  
 Phone 575-746-3481

Chandler Montgomery  
 Occidental Petroleum  
 1502 W Commerce Dr.  
 Carlsbad, NM 88220

Apr. 08, 2021

Field:	Sand Dunes	Sampled By:	Javier Lazo
Station Name:	Patton MDP1 17-5H/Sand Dunes CTB Test 3	Sample Of:	Gas Spot
Station Number:	17003T	Sample Date:	03/30/2021 11:30
Station Location:	OXY	Sample Conditions:	100 psig, @ 87 °F Ambient: 62 °F
Sample Point:	Downstream	Effective Date:	03/30/2021 11:30
Formation:	Monthly	Method:	GPA-2261M
County:	Eddy	Cylinder No:	1111-001235
Type of Sample :	Spot-Cylinder	Instrument:	70104124 (Inficon GC-MicroFusion)
Heat Trace Used:	N/A	Last Inst. Cal.:	04/05/2021 0:00 AM
Sampling Method: :	Fill and Purge	Analyzed:	04/08/2021 13:53:16 by KJM
Sampling Company:	SPL		

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia
Hydrogen Sulfide	NIL	NIL	NIL	
Nitrogen	1.734	1.74387	2.197	
Carbon Dioxide	1.368	1.37557	2.722	
Methane	73.887	74.31188	53.610	
Ethane	11.727	11.79446	15.949	3.149
Propane	6.609	6.64682	13.181	1.828
Iso-Butane	0.784	0.78801	2.060	0.257
n-Butane	1.892	1.90268	4.973	0.599
Iso-Pentane	0.419	0.42151	1.368	0.154
n-Pentane	0.440	0.44243	1.435	0.160
Hexanes	0.258	0.25979	1.007	0.107
Heptanes	0.196	0.19753	0.890	0.091
Octanes	0.091	0.09162	0.471	0.047
Nonanes Plus	0.024	0.02383	0.137	0.013
	99.429	100.00000	100.000	6.405

<b>Calculated Physical Properties</b>	<b>Total</b>	<b>C9+</b>
Calculated Molecular Weight	22.24	128.26
Compressibility Factor	0.9961	
Relative Density Real Gas	0.7705	4.4283
<b>GPA 2172 Calculation:</b>		
<b>Calculated Gross BTU per ft<sup>3</sup> @ 14.65 psia &amp; 60°F</b>		
Real Gas Dry BTU	1280.4	6974.4
Water Sat. Gas Base BTU	1258.6	6852.4
Ideal, Gross HV - Dry at 14.65 psia	1275.4	6974.4
Ideal, Gross HV - Wet	1253.1	6852.4

Comments: H2S Field Content 0 ppm  
 966 Mcf/day

Chandler  
 Montgomery

Digitally signed by Chandler  
 Montgomery  
 Date: 2021.04.13 12:34:10 -06'00'

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

**Atchafalaya Measurement Inc**  
416 East Main Street, Artesia NM 88210 575-746-3481

**Sample Information**

Sample Information	
Sample Name	OXY__Cal Mon 35 Federal 175H__GC2-41119-04
Station Number	N/A
Lease Name	Cal Mon 35 Federal 175H
Analysis For	OXY USA
Producer	OXY USA
Field Name	N/A
County/State	Eddy,NM
Frequency/Spot Sample	Spot
Sampling Method	Fill Empty
Sample Deg F	110
Atmos Deg F	70
Flow Rate	N/A
Line PSIG	126.2
Date Sampled/Time Sampled	4-8-19
Cylinder Number	N/A
Cylinder Clean Date	N/A
Sampled By	Victor Urias
Analysis By	Pat Silvas
Verified/Calibrated Date	4-8-19
Report Date	2019-04-11 08:05:21

**Component Results**

Component Name	Ret. Time	Peak Area	Norm%	GPM (Dry) (Gal. / 1000 cu.ft.)
Nitrogen	22.960	17041.9	1.2566	0.000
H2S	0.000	0.0	0.0000	0.000
Methane	23.740	774901.4	75.6221	0.000
Carbon Dioxide	27.760	2771.5	0.1750	0.000
Ethane	36.980	222521.2	13.1448	3.509
Propane	77.360	137364.0	6.1320	1.688
i-Butane	29.840	58581.6	0.7131	0.233
n-Butane	32.140	140341.4	1.6956	0.534
i-Pentane	39.240	31316.3	0.3289	0.120
n-Pentane	42.060	36744.5	0.3756	0.136
C6's	50.750	23667.0	0.2128	0.067
C7's	67.000	24474.0	0.2119	0.098
C8's	84.000	12097.0	0.1117	0.057
C9's	102.000	5270.0	0.0175	0.010
C10 Plus	146.000	639.0	0.0024	0.001
<b>Total:</b>			100.0000	6.471

**Results Summary**

Result	Dry	Sat. (Base)
Total Raw Mole% (Dry)	101.6290	
Pressure Base (psia)	14.650	
Temperature Base	60.00	
Gross Heating Value (BTU / Ideal cu.ft.)	1283.6	1261.1
Gross Heating Value (BTU / Real cu.ft.)	1288.5	1266.5
Relative Density (G), Ideal	0.7484	0.7462
Relative Density (G), Real	0.7509	0.7490
Compressibility (Z) Factor	0.9962	0.9958

# Corrosion Prevention Plan

## Existing Corrosion Prevention Plan

- Produced gas is processed through a gas dehydration unit to remove water.
- Corrosion inhibitor is added to the system downstream of the gas dehydration unit.
- Fluid samples are taken regularly and checked for Fe, Mn, and residual corrosion inhibitor in produced fluids.
- Continuously monitor and adjust the chemical treatment over the life of the well.

**Oxy will continue the existing corrosion prevention plan in place for the gas lift system due to the similar nature of gas storage operations.**

- Fluid samples will be taken prior to injection to establish a baseline for analysis.
- After a storage event, fluid samples will be taken to check for Fe, Mn, and residual corrosion inhibitor in the produced fluids.
- Continuously monitor and adjust the chemical treatment over the life of the project.





# NM GAS STORAGE OPERATIONAL PLAN

# Operational Plan

## WELLSITE CLGC

**Oxy USA Inc. (Oxy) will monitor the following items on each Closed Loop Gas Capture (CLGC) well via SCADA system:**

- Injection flow rate and volume
  - Instantaneous Rate
  - Total Injected by Day (volume)
- Tubing Pressure
- Casing Pressure
- Bradenhead Pressures
- Safety devices
  - Pressure kills have an automated kill sequence that is initiated by SCADA system readings.
  - Injection pressure kills on production stream for injection
  - Relief Valves for both production and gas storage/injection streams to prevent overpressure (not monitored via SCADA other than pressure trend)
  - Control of injection rate and pressures via control valve at each well injection stream
  - Control of production stream via automated choke valves to ensure controlled production and prevent over pressurization of flowline

## CENTRAL TANK BATTERY (CTB)

**Oxy will monitor the following items at each CTB via SCADA system:**

- Production Rates
  - Oil
  - Gas
  - Water
- Safety devices
  - Flares at CTBs
  - Injection pressure kills on production/gas storage stream for injection
  - Emergency Shutdown (ESD) of wells that are local and remote for automatic shut downs to safe the system
  - Control of injection rate and pressures via control valve at each well injection stream

## CENTRAL GAS LIFT (CGL) COMPRESSOR(S)

**Oxy will monitor the following items on each Central Gas Lift (CGL) Compressor Station via SCADA system:**

- Safety devices
  - Discharge/injection pressure kills of each compressor and for the station
  - Relief Valves on 3<sup>rd</sup> stage of compressors, to prevent over pressurization (not monitored via SCADA other than pressure trend)
  - Station recycle valves (that recycle discharge pressure back to suction) if the pressure is getting too high for the compressor or station. (not all control valves are capable of

remote monitoring of valve position; but still monitored in some sense of the pressure trend for the station)

## SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA)

**Oxy SCADA system consists of PLCs at each CTB, Wellsite, and Central Gas Lift compressor or station.**

- The Programmable Logic Controller (PLCs) will take action immediately (within seconds or minutes) as programmed to automatically safe the system as required; for the system and certain device shut down(s).
- The High Alarms and High-High Alarms will be logged and registered in the SCADA system. Also the call center will take the High Alarm and make the physical phone call notification to the production techs to acknowledge the alarm & take action.

## ENVIRONMENTAL/SPILL RESPONSE

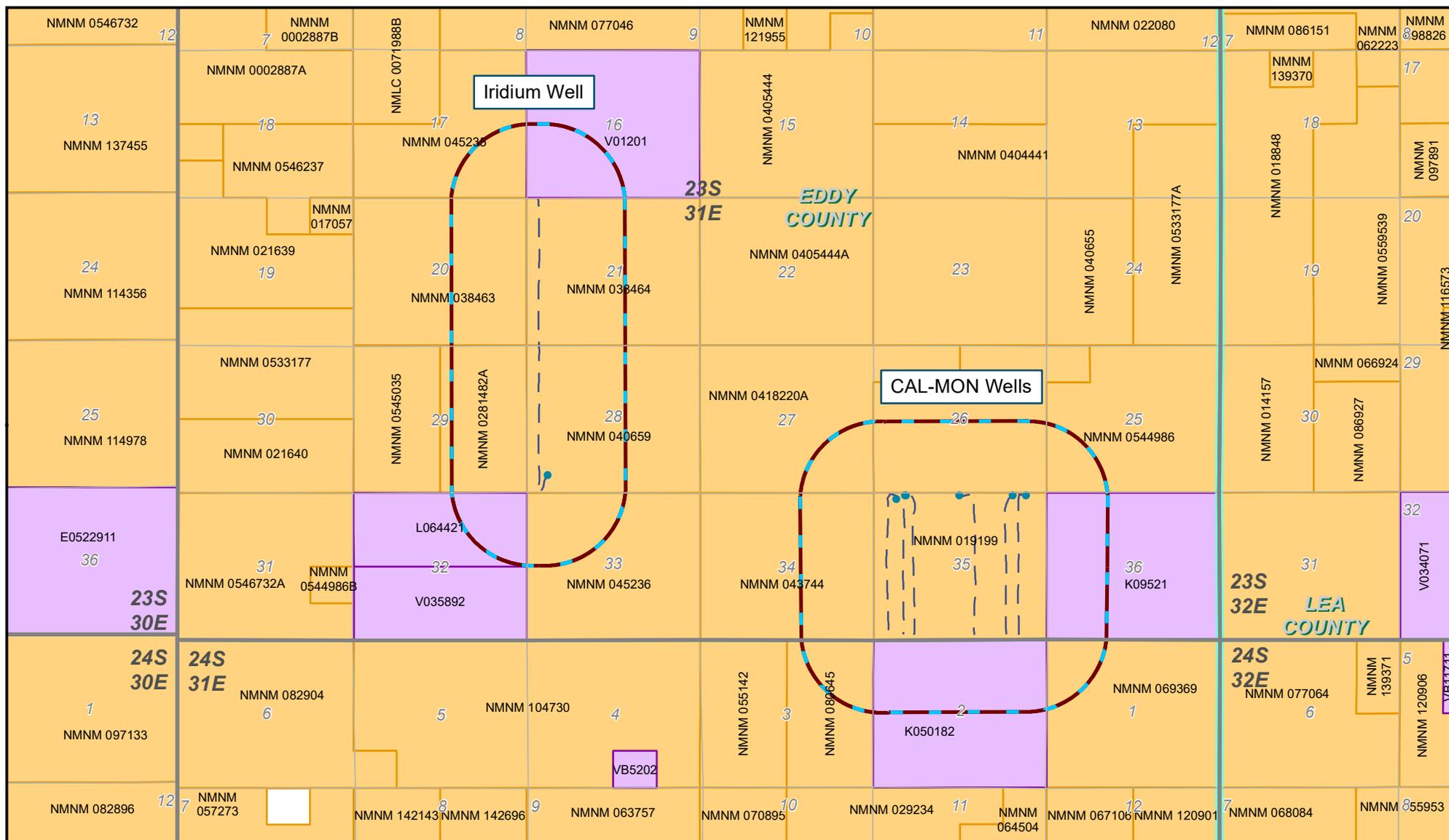
**Oxy will report and track any spill recordable or non-recordable via our CDR system**

- Any spill or gas release will be reported by operations calling in to our Call Center to make the report of spill/release. The fluid type and release amount will be disclosed along with location details; and if it's a recordable or non-recordable spill.
- Liquids will be contained and isolated and vacuum trucks will be called in to recover the liquid and will also report the amount of liquid recovered on the same CDR spill form.
  - Additional reclamation will be coordinated to ensure proper recovery of contaminated soil and liquid.

# Area of Review



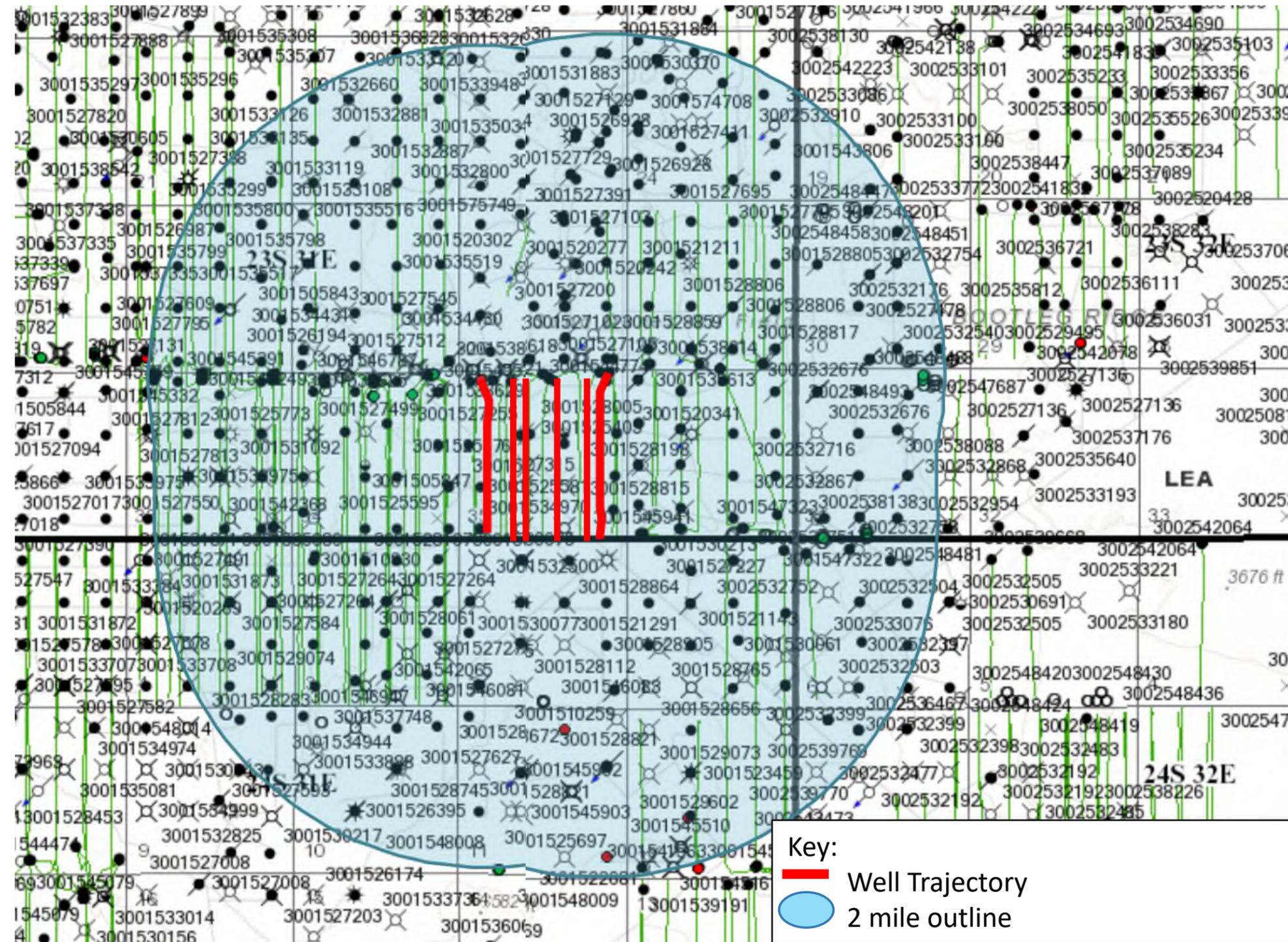
# EXHIBIT "A" EDDY COUNTY, NEW MEXICO



- County
- 1/2 mile AOR
- Surface Hole Location
- Wellbore Trajectory
- Land Owner Type:**
- Federal
- State

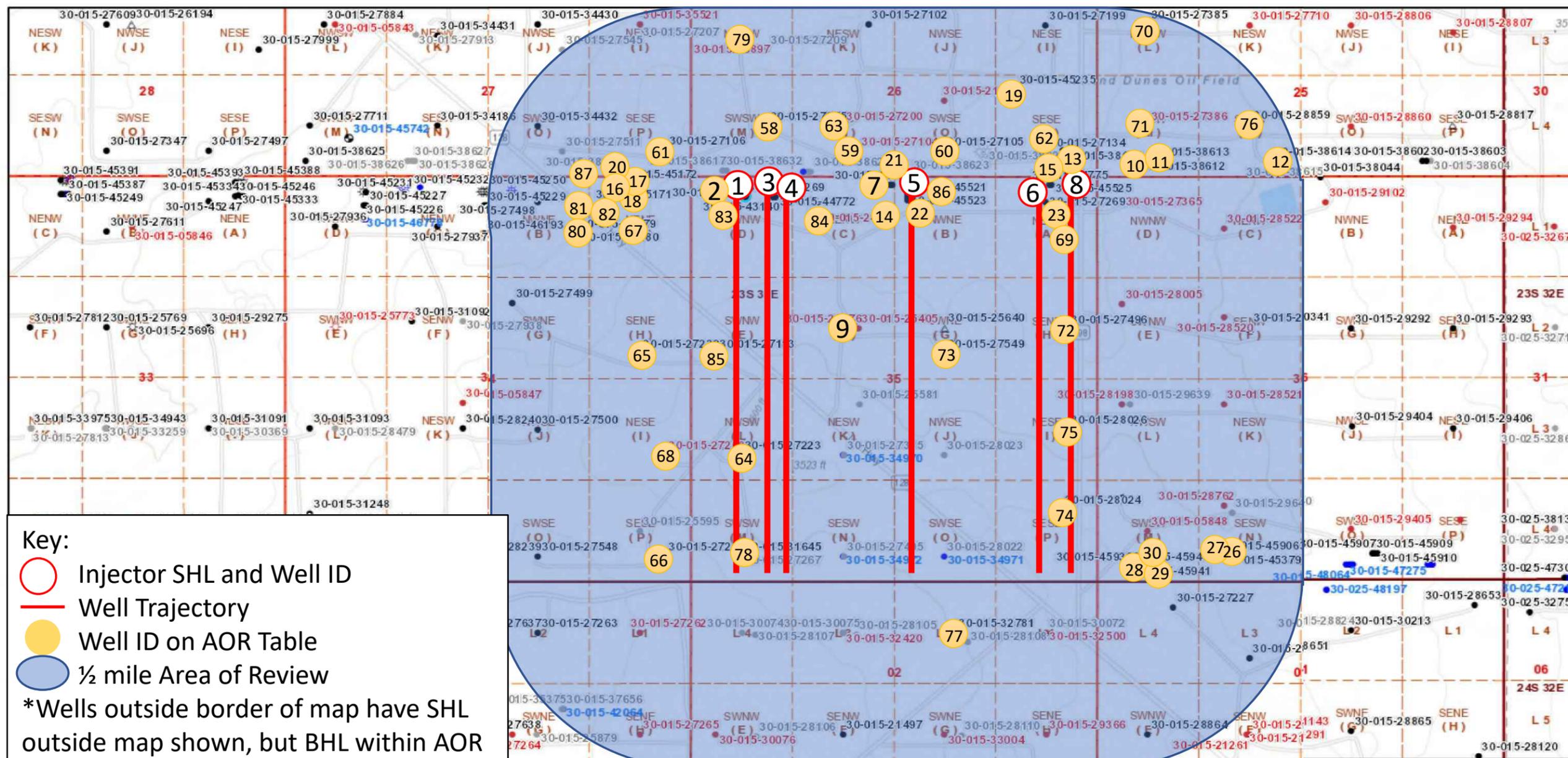


# Cal Mon 2 Mile Map



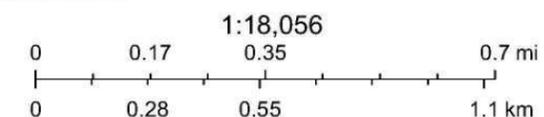


# Calmon AOR



4/8/2021, 8:28:38 AM

Wells - Large Scale	★ CO2, Temporarily Abandoned	⚡ Injection, Active	● Oil, Cancelled	▲ Salt Water Injection, New
⚡ undefined	★ Gas, Active	⚡ Injection, Cancelled	● Oil, New	▲ Salt Water Injection, Plugged
● Miscellaneous	★ Gas, Cancelled	⚡ Injection, New	● Oil, Plugged	▲ Salt Water Injection, Temporarily Abandoned
★ CO2, Active	★ Gas, New	⚡ Injection, Plugged	● Oil, Temporarily Abandoned	● Water, Active
★ CO2, Cancelled	★ Gas, Plugged	⚡ Injection, Temporarily Abandoned	▲ Salt Water Injection, Active	● Water, Cancelled
★ CO2, New	★ Gas, Temporarily Abandoned	● Oil, Active	▲ Salt Water Injection, Cancelled	● Water, New
★ CO2, Plugged				

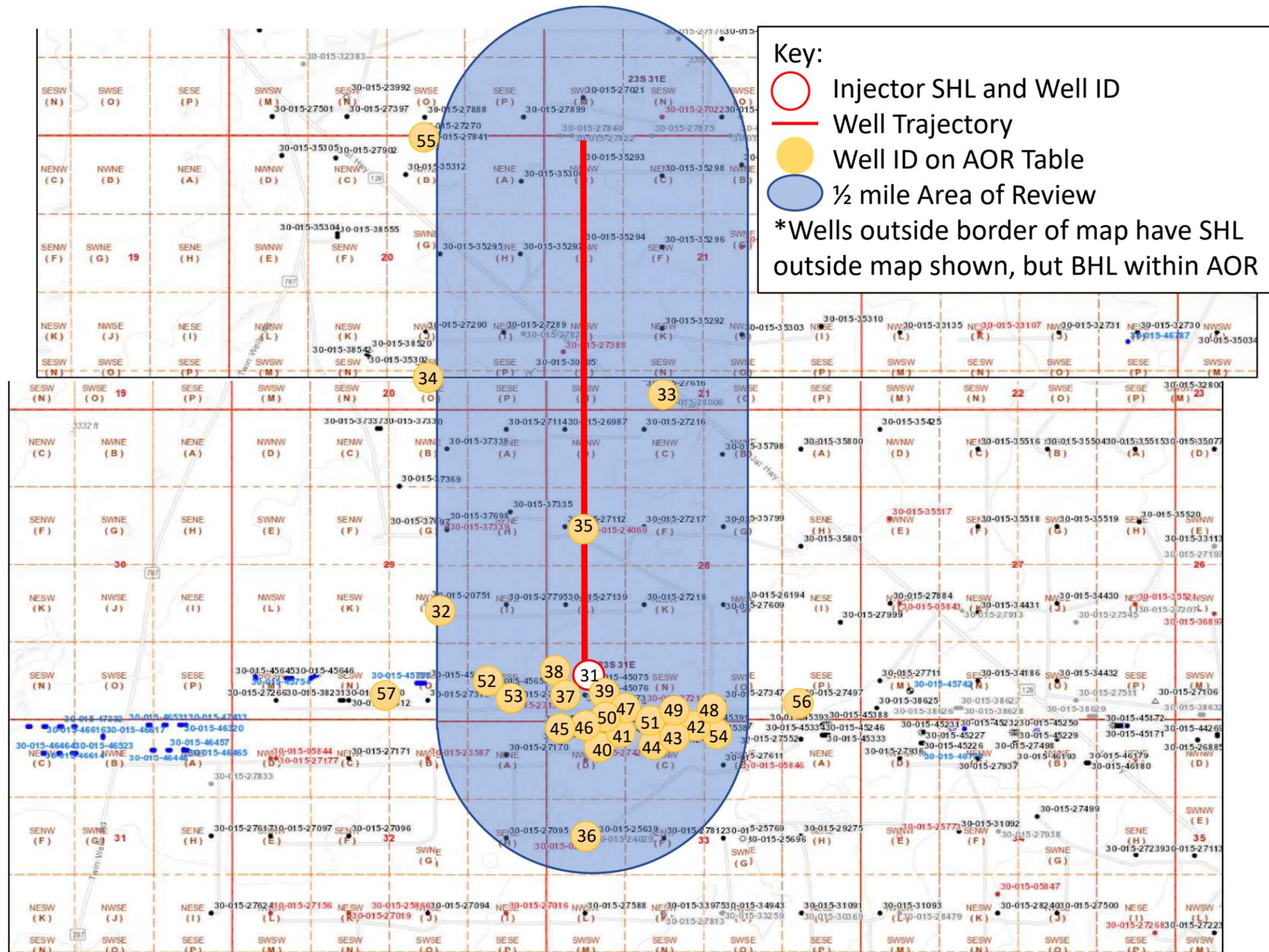


Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, EPA, USDA, OCD, BLM

New Mexico Oil Conservation Division

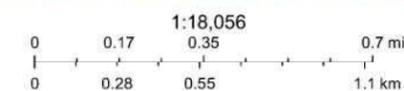
NM OCD Oil and Gas Map. <http://nm-emnrd.maps.arcgis.com/apps/webappviewer/index.html?id=4d017f2306164de29fd2fb9f8f35ca75>: New Mexico Oil Conservation Division

# Iridium AOR Map



4/8/2021, 8:17:54 AM

- |                     |                            |                                  |                                 |                                             |
|---------------------|----------------------------|----------------------------------|---------------------------------|---------------------------------------------|
| Wells - Large Scale | CO2, Temporarily Abandoned | Injection, Active                | Oil, Cancelled                  | Salt Water Injection, New                   |
| undefined           | Gas, Active                | Injection, Cancelled             | Oil, New                        | Salt Water Injection, Plugged               |
| Miscellaneous       | Gas, Cancelled             | Injection, New                   | Oil, Plugged                    | Salt Water Injection, Temporarily Abandoned |
| CO2, Active         | Gas, New                   | Injection, Plugged               | Oil, Temporarily Abandoned      | Water, Active                               |
| CO2, Cancelled      | Gas, Plugged               | Injection, Temporarily Abandoned | Salt Water Injection, Active    | Water, Cancelled                            |
| CO2, New            | Gas, Temporarily Abandoned | Oil, Active                      | Salt Water Injection, Cancelled | Water, New                                  |
| CO2, Plugged        |                            |                                  |                                 |                                             |



Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, EPA, USDA, OCD, BLM

New Mexico Oil Conservation Division  
 NM OCD Oil and Gas Map. <http://nm-enrnm.maps.arcgis.com/apps/webappviewer/index.html?id=4d0172306164de29fd2fb98f35ca75>; New Mexico Oil Conservation Division

Cal Mon and Iridium (North Corridor) AOR Table

Well ID	API NUMBER	Current Operator	LEASE NAME	WELL NUMBER	Well Type:	Status:	Footages		Surface Location Unit	Surface Location Section	Surface Location TShip	Surface Location Range	Spud [date]	True Vertical Depth [ft]	Measured Depth [ft]	HOLE			CSG SIZE	SET AT	SX CMT	CMT TO [ft]	HOW MEASURED	Current Completion [ft]	Comment	Current Producing Pool
							N/S	N/S								E/W	E/W	SIZE [in]								
1	30-015-43140	OXY USA INC	CAL MON 35 FEDERAL	041H	Oil	Active	250 N	710 W	D	35 23S	31E	11/29/2016	10390	14910	18.500	16.000	742	700	Surf	Circ	10485-14740			[33740] INGLE WELLS; BONE SPRING		
																13.500	10.750	4402	2420	Surf	Circ					
																9.875	7.625	11965	3270	Surf	Circ					
																6.750	4.500	8584-14900	620	Surf	Circ					
2	30-015-44269	OXY USA INC	CAL MON 35 FEDERAL	171H	Oil	Active	280 N	710 W	D	35 23S	31E	6/22/2017	11705	16342	20.000	16.000	753	805	Surf	Circ	11662-16115			[98236] WC-015 G-08 S233135D; WOLFCAMP		
																13.500	10.750	4431	1675	Surf	Circ					
																9.875	7.625	10580	630	Surf	Circ					
																6.750	4.500	16330	765	Surf	Circ					
3	30-015-44771	OXY USA INC	CAL MON MDP1 35 FEDERAL	001H	Oil	Active	277 N	1077 W	D	35 23S	31E	3/28/2018	10101	14890	17.500	13.375	742	960	Surf	Circ	10222-14725			[13367] COTTON DRAW; BONE SPRING		
																12.250	9.625	4382	1380	Surf	Circ					
																8.500	5.500	14876	2565	Surf	Circ					
4	30-015-44772	OXY USA INC	CAL MON MDP1 35 FEDERAL	002H	Oil	Active	277 N	1112 W	D	35 23S	31E	3/29/2018	10101	14835	17.500	13.375	760	920	Surf	Circ	10059-14657			[13367] COTTON DRAW; BONE SPRING		
																12.250	9.625	4402	1380	Surf	Circ					
																8.500	5.500	14820	2628	Surf	Circ					
5	30-015-44774	OXY USA INC	CAL MON MDP1 35 FEDERAL	004H	Oil	Active	120 N	2624 W	C	35 23S	31E	3/9/2018	10366	15119	17.500	13.375	804	1045	Surf	Circ	10344-14942			[13367] COTTON DRAW; BONE SPRING		
																12.250	9.625	4415	1245	Surf	Circ					
																8.500	5.500	15109	2225	Surf	Circ					
6	30-015-44775	OXY USA INC	CAL MON MDP1 35 FEDERAL	005H	Oil	Active	110 N	890 E	A	35 23S	31E	3/11/2018	10148	14842	17.500	13.375	804	1045	Surf	Circ	10130-14676			[13367] COTTON DRAW; BONE SPRING		
																12.250	9.625	4475	1365	Surf	Circ					
																8.500	5.500	14832	2025	Surf	Circ					
7	30-015-45521	OXY USA INC	CAL MON 35 FEDERAL	172H	Oil	Active	275 N	2458 E	B	35 23S	31E	1/4/2019	16880	11930	14.75	10.75	841	850	Surf	Circ	11931-16807			[98236] WC-015 G-08 S233135D; WOLFCAMP		
																9.875	7.625	11292	2402	Surf	Circ					
																6.75	5.5	12048	720	Surf	Circ					
																6.75	4.5	16880	720	Surf	Circ					
8	30-015-45524	OXY USA INC	CAL MON 35 FEDERAL	175H	Oil	Active	110 N	615 E	A	35 23S	31E	12/27/2018	10973	15869	14.75	10.75	847	575	Surf	Circ	10572-15724			[98236] WC-015 G-08 S233135D; WOLFCAMP		
																9.875	7.625	10253	2055	Surf	Circ					
																6.75	5.5	10893	670	Surf	Circ					
																6.75	4.5	15869	670	Surf	Circ					
9	30-015-25176	POGO PRODUCING CO	CAL-MON	002	Oil	PA	1980 N	1980 W	F	35 23S	31E	3/19/1985	15371	15375	26	20	599	825	Surf	Circ	NA			NA		
																17.5	13.375	4441	3500	Surf	Circ					
																12.25	9.625	11862	3395	Surf	Circ					
																8.5	7	14720	700	Surf	Circ					
10	30-015-38612	DEVON ENERGY PRODUCTION COMPANY, LP	ALDABRA 25 FEDERAL COM	001H	Oil	Active	200 S	635 W	M	25 23S	31E	3/29/2014	11611	16174	26.000	20.000	898	1850	Surf	Circ	11702-16067			[97860] JENNINGS; BONE SPRING, WEST		
																17.500	13.375	4468	3270	Surf	Circ					
																12.250	9.625	8332	1785	Surf	Circ					
																8.500	5.500	16174	2920	Surf	Circ					
11	30-015-38613	DEVON ENERGY PRODUCTION COMPANY, LP	ALDABRA 25 FEDERAL COM	002H	Oil	Active	200 S	685 W	M	25 23S	31E	5/11/2014	10440	15047	26.000	20.000	900	1590	Surf	Circ	10577-14937			[96403] WILDCAT; BONE SPRING		
																17.500	13.375	4460	2992	Surf	Circ					
																12.250	9.625	8324	2375	Surf	Circ					
																8.500	5.500	15047	2220	Surf	Circ					
12	30-015-38614	DEVON ENERGY PRODUCTION COMPANY, LP	ALDABRA 25 FEDERAL	003H	Oil	Active	200 S	2260 W	N	25 23S	31E	3/31/2013	11694	16698	17.500	13.375	936	885	Surf	Circ	12185-16622			[96403] WILDCAT; BONE SPRING		
																12.250	9.625	4512	1450	Surf	Circ					
																8.75	7.000	10897	1140	Surf	Circ					
																6.125	4.500	16689	575	Surf	Unknown					
13	30-015-38624	DEVON ENERGY PRODUCTION COMPANY, LP	ALDABRA 26 FEDERAL	008H	Oil	Active	350 S	445 E	P	26 23S	31E	10/28/2013	11603	16104	26.000	20.000	850	1460	Surf	Circ	11845-16042			[96403] WILDCAT; BONE SPRING		
																17.550	13.375	4420	3215	Surf	Circ					
																12.250	9.625	8335	2040	Surf	Circ					
																8.500	5.500	16104	2065	Surf	Circ					
14	30-015-44773	OXY USA INC	CAL MON MDP1 35 FEDERAL	003H	Oil	Active	120 N	2594 W	C	35 23S	31E	3/8/2018	10098	14865	17.500	13.375	803	1127	Surf	Circ	10102-14697			[13367] COTTON DRAW; BONE SPRING		
																12.250	9.625	4437	1245	Surf	Circ					
																8.500	5.500	14859	2560	Surf	Circ					
15	30-015-44776	OXY USA INC	CAL MON MDP1 35 FEDERAL	006H	Oil	Active	110 N	855 E	A	35 23S	31E	3/13/2018	10149	14979	17.500	13.375	803	1025	Surf	Circ	10271-14821			[13367] COTTON DRAW; BONE SPRING		
																12.250	9.625	4446	1365	Surf	Circ					
																8.500	5.500	14961	2025	Surf	Circ					
16	30-015-45171	OXY USA INC	PLATINUM MDP1 34 3 FEDERAL COM	005H	Oil	Active	110 N	968 E	A	34 23S	31E	9/17/2018	10270	20532	17.500	13.375	709	900	Surf	Circ	10419-20333			[97494] COTTONWOOD DRAW; BONE SPRING (		
																12.250	9.625	4465	1511	Surf	Circ					
																8.500	7.625	9755	670	Surf	Circ					
																6.75	5.500	20522	822	Surf	Circ					
17	30-015-45172	OXY USA INC	PLATINUM MDP1 34 3 FEDERAL COM	006H	Oil	Active	110 N	933 E	A	34 23S	31E	9/16/2018	10011	20295	17.500	13.375	685	900	Surf	Circ	9959-20155			[97494] COTTONWOOD DRAW; BONE SPRING (		
																12.250	9.625	4488	1507	Surf	Circ					
																8.500	7.625	9613	670	Surf	Circ					



Cal Mon and Iridium (North Corridor) AOR Table

														12.25	9.625	4348	1349	Surf	Circ			
														8.75	7.625	11076	741	Surf	Circ			
														6.75	5.5	22579	914	Surf	CBL			
45	30-015-45335	OXY USA INC	STERLING SILVER MDP1 33 4 FEDERAL COM	001H	Oil	Active	90 N	834 W	D				20366	17.5	13.875	537	705	Surf	Circ	9929-20208	[33740] INGLE WELLS; BONE SPRING	
														12.25	9.625	4315	1385	Surf	Circ			
														8.5	7.625	9259	548	Surf	Circ			
														6.75	5.5	20371	909	Surf	CBL			
46	30-015-45336	OXY USA INC	STERLING SILVER MDP1 33 4 FEDERAL COM	171H	Gas	Active	90 N	869 W	D				21701	17.500	13.375	497	525	Surf	Circ	11623-21584	[98236] WC-015 G-08 S233135D; WOLFCAMP	
														12.250	9.625	4276	1358	Surf	Circ			
														8.750	7.625	10887	634	Surf	Circ			
														6.750	5.500	21681	827	Surf	Circ			
47	30-015-45337	OXY USA INC	STERLING SILVER MDP1 33 4 FEDERAL COM	172H	Gas	Active	90 N	904 W	D				22186	17.500	13.375	497	525	Surf	Circ	12016-21976	[98236] WC-015 G-08 S233135D; WOLFCAMP	
														12.250	9.625	4300	1418	Surf	Circ			
														8.750	7.625	11017	634	Surf	Circ			
														6.750	5.500	22186	775	Surf	Circ			
48	30-015-45386	OXY USA INC	STERLING SILVER MDP1 33 4 FEDERAL COM	006H	Gas	Active	69 N	2439 W	C				20550	16	13.375	504	705	Surf	Circ	10399-20447	[98220] PURPLE SAGE; WOLFCAMP (GAS)	
														12.250	9.625	4384	1230	Surf	Circ			
														8.5	7.625	9610	555	Surf	echometer			
														6.75	5.5	20481	845	Surf	CBL			
49	30-015-45387	OXY USA INC	STERLING SILVER MDP1 33 4 FEDERAL COM	008H	Gas	Active	69 N	2404 W	C				21960	17.500	13.375	540	690	Surf	Circ	11783-21844	[98236] WC-015 G-08 S233135D; WOLFCAMP	
														12.250	9.625	4384	1220	Surf	Circ			
														8.750	7.625	10941	770	Surf	Circ			
														6.75	5.500	21940	790	Surf	CBL			
50	30-015-45390	OXY USA INC	STERLING SILVER MDP1 33 4 FEDERAL COM	002H	Oil	Active	90 N	939 W	D				20459	17.5	13.375	557	705	Surf	Circ	10276-20208	[33740] INGLE WELLS; BONE SPRING	
														12.25	9.625	4315	1874	Surf	Circ			
														8.5	7.625	9368	370	Surf	Circ			
														6.75	5.5	20491	909	Surf	CBL			
51	30-015-45391	OXY USA INC	STERLING SILVER MDP1 33 4 FEDERAL COM	003H	Oil	Active	69 N	2369 W	C				20630	17.500	13.375	495	650	Surf	Circ	10227-20525	[33740] INGLE WELLS; BONE SPRING	
														12.250	9.625	4383	1230	Surf	Circ			
														8.500	7.625	9376	410	Surf	Circ			
														6.750	5.500	20619	825	Surf	CBL			
52	30-015-45649	OXY USA INC	PURE GOLD MDP1 29 17 FEDERAL COM	005H	Oil	Active	650 S	980 E	P				23238	17.500	13.375	688	870	Surf	Circ	10170-22856	[33740] INGLE WELLS; BONE SPRING	
														12.250	9.625	4264	1195	Surf	Circ			
														8.500	7.625	9405	681	Surf	Circ			
														6.750	5.500	23213	1005	Surf	Circ			
53	30-015-45650	OXY USA INC	PURE GOLD MDP1 29 17 FEDERAL COM	006H	Oil	Active	545 S	980 E	P				22922	17.500	13.375	695	870	Surf	Circ	9853-22745	[33740] INGLE WELLS; BONE SPRING	
														12.250	9.625	4279	1190	Surf	Circ			
														8.500	7.625	9011	553	Surf	Circ			
														6.750	5.500	22885	1005	Surf	Circ			
54	30-015-46047	OXY USA INC	STERLING SILVER MDP1 33 4 FEDERAL COM	177H	Gas	Active	69 N	2504 W	C				22091	17.500	13.375	558	730	Surf	Circ	11878-21980	[98236] WC-015 G-08 S233135D; WOLFCAMP	
														12.250	9.625	4375	1225	Surf	Circ			
														8.750	7.625	11100	944	Surf	Circ			
														6.750	5.500	22071	790	Surf	Circ			
55	30-015-27270	EOG RESOURCES INC	PURE GOLD B FEDERAL	002	Gas	Active	10 S	2110 E	O				14540	14540	13.375	13.375	600	625	Surf	Circ	13964-14448 4.5" liner top at 11500'	[84720] SAND DUNES; MORROW, WEST (GAS)
														9.625	9.625	4050	1800	Surf	Circ			
														7.000	7.000	11900	2010	Surf	Circ			
														6.125	4.5	14400	250	Surf	Circ			
56	30-015-45246	OXY USA INC	IRIDIUM MDP1 28 21 FEDERAL COM	005H	Oil	Active	276 N	634 E	A				20571	17.500	13.375	573	685	Surf	Circ	10375-20474	[33740] INGLE WELLS; BONE SPRING	
														12.250	9.625	4391	1394	Surf	Circ			
														8.500	7.625	9574	222	Surf	Circ			
														6.750	5.500	20571	890	Surf	CBL			
57	30-015-45648	OXY USA INC	PURE GOLD MDP1 29 17 FEDERAL COM	004H	Oil	Active	430 S	2605 W	N				22990	17.500	13.375	670	870	Surf	Circ	9966-22900	[33740] INGLE WELLS; BONE SPRING	
														12.250	9.625	4210	1335	Surf	Circ			
														8.500	7.625	9015	606	Surf	Circ			
														6.750	5.500	22990	1065	Surf	CBL			
58	30-015-27075	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 26 M FEDERAL	009	Oil	Active	660 S	990 W	M				8400	8400	17.5	13.375	869	600	Surf	Circ	7335-7344	[33745] INGLE WELLS; DELAWARE
														11	8.625	4400	1025	Surf	Circ			
														7.875	5.5	8400	1150	Surf	Circ			
59	30-015-27104	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 26 N FEDERAL	014	Oil	PA	330 S	2180 W	N				8400	8400	17.5	13.375	850	650	Surf	Circ	NA	NA
														11	8.625	4412	2050	Surf	Circ			
														7.875	5.5	8400	1050	Surf	CBL			
60	30-015-27105	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 26 O FEDERAL	015	Oil	Active	330 S	1980 E	O				8388	8388	17.5	13.375	830	650	Surf	Circ	6746-8202	[33745] INGLE WELLS; DELAWARE
														11	8.625	4424	2350	Surf	Circ			
														7.875	5.5	8388	1200	Surf	Calc			
61	30-015-27106	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 27 P FEDERAL	016	Salt Water Disposal	Active	330 S	330 E	P				8328	8328	17.500	13.375	849	650	Surf	Circ	7962-8046	[96802] SWD; BELL CANYON-CHERRY CANYON
														11.000	8.625	4350	2200	Surf	Circ			
														7.875	5.500	8328	1150	Surf	Calc			
62	30-015-27134	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 26 P FEDERAL	016	Oil	Active	330 S	660 E	P				8425	8425	17.500	13.375	835	650	Surf	Circ	6722-8228	[33745] INGLE WELLS; DELAWARE
														11.000	8.625	4450	2200	Surf	Circ			
														7.875	5.500	8425	1150	Surf	CBL			
63	30-015-27200	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 26 J FEDERAL	021	Oil	PA	660 S	1980 W	J				8300	8300	17.500	13.375	846	650	Surf	Circ	NA	NA
														11.000	8.625	4200	1600	Surf	Circ			
														7.875	5.500	8300	1100					

Cal Mon and Iridium (North Corridor) AOR Table

68	30-015-27268	OXY USA INC	SAND DUNES 34 FEDERAL	004	Oil	PA	1650 S	330 E	I	34 23S	31E	10/21/1993	8380	8380	17.5	13.375	802	950	Surf	Circ	NA	NA
															11	8.625	4253	1700	Surf	Circ		
															7.875	5.500	8380	1905	Surf	Circ		
69	30-015-27269	OXY USA INC	CAL MON	010	Oil	Active	330 N	660 E	A	35 23S	31E	3/2/1993	8374	8374	17.5	13.375	818	950	Surf	Circ	8174-8224	[33745] INGLE WELLS; DELAWARE
															11	8.625	4305	1850	Surf	Circ		
															7.875	5.500	8420	1645	Surf	Circ		
70	30-015-27385	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 25 L FEDERAL	012	Oil	Active	1982 S	660 W	L	25 23S	31E	8/30/1993	8400	8400	17.5	13.375	872	700	Surf	Circ	8045-8228	[33745] INGLE WELLS; DELAWARE
															11	8.625	4353	1650	Surf	Circ		
															7.875	5.5	8400	1100	Surf	Calc		
71	30-015-27386	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 25 M FEDERAL	013	Oil	PA	662 S	660 W	M	25 23S	31E	10/21/1993	8370	8370	17.5	13.375	860	700	Surf	Circ	NA	NA
															11	8.625	4370	1500	Surf	Circ		
															7.875	5.500	8370	1075	Surf	Calc		
72	30-015-27496	OXY USA INC	CAL MON	019	Oil	Active	1980 N	380 E	H	35 23S	31E	9/22/1993	8400	8400	17.5	13.375	813	950	Surf	Circ	8170-8225	[33745] INGLE WELLS; DELAWARE
															11	8.625	4300	1800	Surf	Circ		
															7.875	5.500	8400	1705	Surf	Circ		
73	30-015-27549	OXY USA INC	CAL MON	020	Oil	Active	2310 N	1980 E	G	35 23S	31E	7/16/1993	8350	8350	17.5	13.375	816	950	Surf	Circ	8174-8220	[33745] INGLE WELLS; DELAWARE
															11	8.625	4303	1800	Surf	Circ		
															8.625	5.500	8390	1665	Surf	Circ		
74	30-015-28024	OXY USA INC	CAL MON	017	Oil	Active	930 S	460 E	P	35 23S	31E	1/2/1997	8440	8440	14.75	10.750	865	800	Surf	Circ	8214-8254	[33745] INGLE WELLS; DELAWARE
															9.875	7.625	4375	975	Surf	Circ		
															6.75	4.500	8440	675	Surf	Calc		
75	30-015-28026	OXY USA INC	CAL MON	018	Oil	Active	1980 S	385 E	I	35 23S	31E	9/30/1994	8402	8402	17.5	13.365	800	850	Surf	Circ	8053-8240	[33745] INGLE WELLS; DELAWARE
															11	8.625	4305	1600	Surf	Circ		
															7.875	5.500	8402	2035	Surf	Circ		
76	30-015-28859	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 25 N FEDERAL	014	Salt Water Disposal	Active	660 S	1980 W	N	25 23S	31E	4/19/1996	8673	8673	17.5	13.375	877	700	Surf	Circ	6799-8274	[53810] SAND DUNES; CHERRY CANYON
															11	8.625	4373	1220	Surf	Circ		
															7.875	5.500	8672	935	Surf	Calc		
77	30-015-30810	PENROC OIL CORP	BARCLAY STATE	009	Oil	Active	660 N	1980 E	B	2 23S	31E	3/18/2000	8600	8600	17.5	13.375	895	700	Surf	Circ	6560-8220	[96149] LIVINGSTON RIDGE; DELAWARE, SOUTH
															12.25	8.625	4479	1800	Surf	Circ		
															7.875	5.500	8600	860	Surf	Calc		
78	30-015-31645	OXY USA INC	CAL MON	012Q	Oil	Active	330 S	660 W	M	35 23S	31E	3/29/2001	8424	8424	14.75	10.750	760	450	Surf	Circ	8194-8218	[33745] INGLE WELLS; DELAWARE
															9.875	7.625	4250	1470	Surf	Circ		
															6.75	4.500	8424	1550	Surf	Circ		
79	30-015-36897	DEVON ENERGY PRODUCTION COMPANY, LP	TODD 26 L FEDERAL	017	Oil	PA	1800 S	660 W	L	26 23S	31E	12/10/2009	8400	8400	17.500	13.375	740	770	Surf	Circ	NA	NA
															11.000	8.625	4378	1320	Surf	Circ		
															8.750	5.500	8396	1140	Surf	CBL		
80	30-015-46179	OXY USA INC	PLATINUM MDP1 34 3 FEDERAL COM	013H	Oil	Active	750 N	1480 E	B	34 23S	31E	1/3/2020	9416	18842	8.750	7.625	8710	1020	Surf	Circ	9758-18750	[13367] COTTON DRAW; BONE SPRING
															17.5	13.375	700	780	Surf	Circ		
															12.25	9.625	4473	1464	Surf	Circ		
															6.75	5.500	18822	845	Surf	Calc		
81	30-015-46180	OXY USA INC	PLATINUM MDP1 34 3 FEDERAL COM	014H	Oil	Active	750 N	1445 E	B	34 23S	31E	1/4/2020	9513	19888	17.5	13.375	700	880	Surf	Circ	9757-19750	[13367] COTTON DRAW; BONE SPRING
															12.25	9.625	4479	1400	Surf	Circ		
															8.75	7.625	8888	604	Surf	Circ		
															6.75	5.500	19869	842	Surf	Calc		
82	30-015-46559	OXY USA INC	PLATINUM MDP1 34 3 FEDERAL COM	026H	Oil	Active	110 N	793 E	A	34 23S	31E	1/14/2020	8935	19165	17.5	13.375	722	935	Surf	Circ	9037-19030	[13367] COTTON DRAW; BONE SPRING
															12.25	9.625	4454	1697	Surf	Circ		
															8.75	7.625	8271	424	Surf	Calc		
															6.75	5.500	19150	840	Surf	Calc		
83	30-015-26885	OXY USA INC	CAL MON	006	Oil	Active	330 N	380 W	D	35 23S	31E	2/21/1992	8309	8309	17.5	13.375	825	950	surf	circ	8007-8046	[33745] INGLE WELLS; DELAWARE
															11	8.625	4340	1575	surf	circ		
															7.875	5.5	8309	1404	surf	CBL		
84	30-015-27081	OXY USA INC	CAL MON	007	Oil	Active	330 N	1650 W	C	35 23S	31E	8/9/1992	8400	8400	17.5	13.375	797	1000	surf	circ	6996-8125	[33745] INGLE WELLS; DELAWARE
															11	8.625	4275	1525	surf	circ		
															7.875	5.5	8400	1275	surf	Calc		
85	30-015-27113	OXY USA INC	CAL MON	008	Oil	Active	2310 N	330 W	E	35 23S	31E	11/7/1992	8330	8330	17.5	13.375	815	1000	surf	circ	8149-8214	[33745] INGLE WELLS; DELAWARE
															11	8.625	4240	1525	surf	circ		
															7.875	5.5	8330	1505	surf	Circ		
86	30-015-27206	OXY USA INC	CAL MON	009	Oil	Active	330 N	2310 E	B	35 23S	31E	12/6/1992	8370	8370	17.5	13.375	815	950	surf	circ	8102-8198	[33745] INGLE WELLS; DELAWARE
															11	8.625	4270	1850	surf	circ		
															7.875	5.5	8370	1680	surf	circ		
87	30-015-46558	OXY USA INC	PLATINUM MDP1 34 3 FEDERAL COM	025H	Oil	Active	110 N	898 E	A	34 23S	31E	1/15/2020	8850	19189	17.5	13.375	722	935	Surf	Circ	9057-19038	[13367] COTTON DRAW; BONE SPRING
															12.25	9.625	4477	1721	Surf	Circ		
															8.75	7.625	8246	568	Surf	Circ		
															6.75	5.5	19164	774	Surf	Calc		

4/6/2021

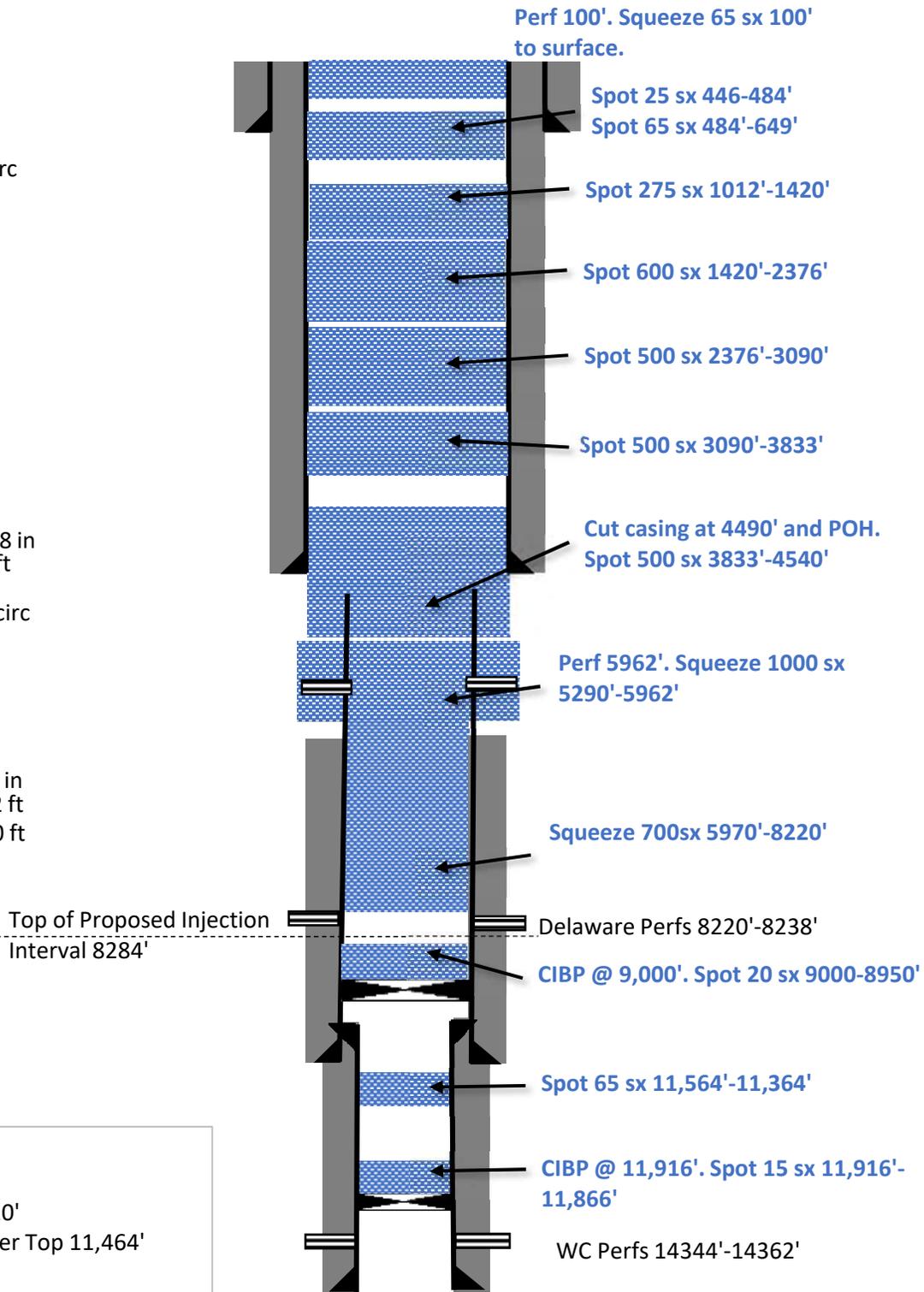
Current Wellbore  
**Calmon 2**  
30-015-25176-0000  
Eddy

String 1  
OD 20 in  
TD 599 ft  
TOC 0 ft  
825 sx, circ

String 2  
OD 13-3/8 in  
TD 4441 ft  
TOC 0 ft  
3500 sx, circ

String 3  
OD 9-5/8 in  
TD 11862 ft  
TOC 6200 ft  
3395 sx

String 4  
OD 7 in  
TD 14720'  
TOC/Liner Top 11,464'  
700 sx



CALMON/IRIDIUM AOR WELL #35

# MAVERICK WELL PLUGGERS

COMPANY: Pogo Producing Co.

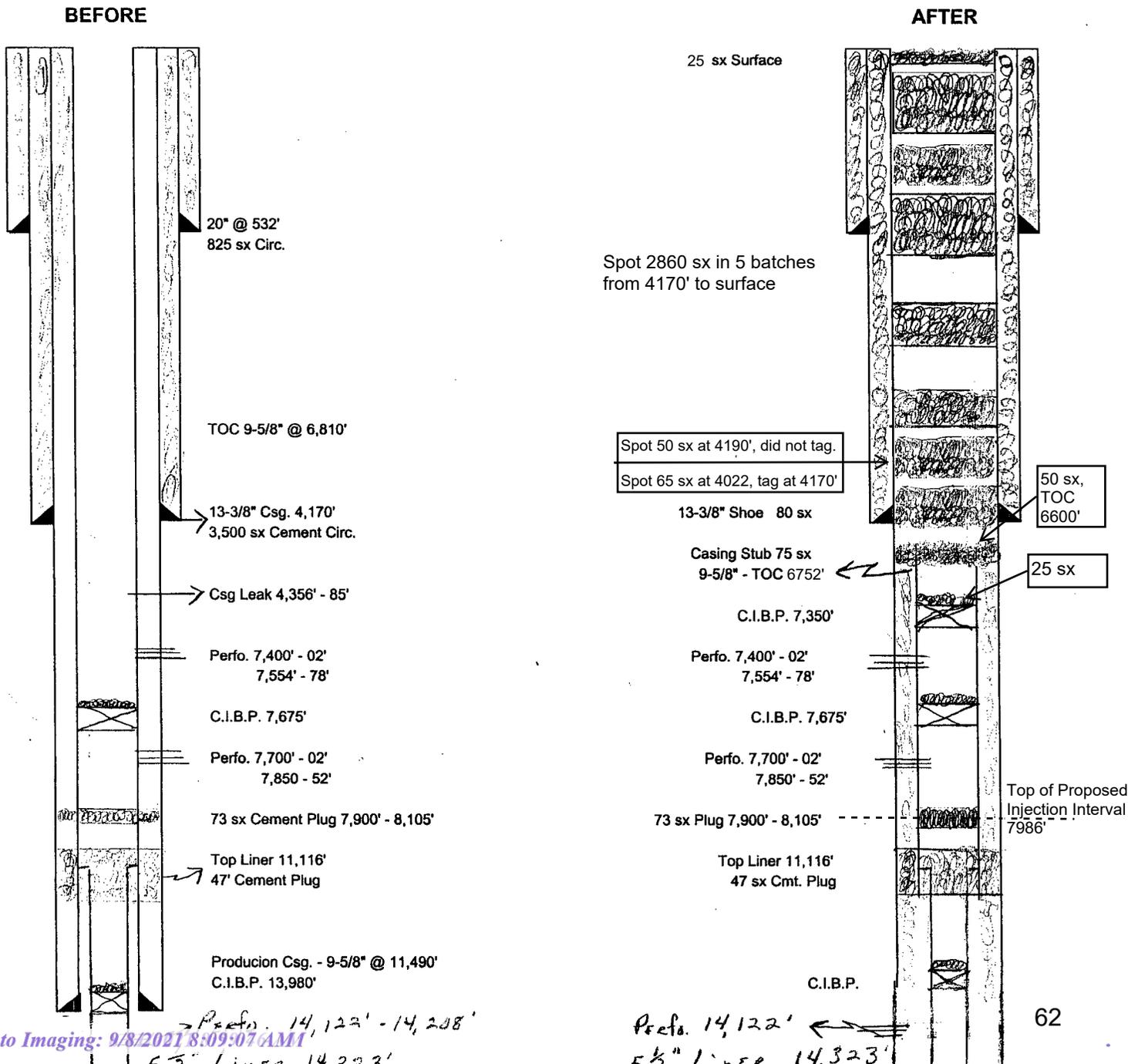
WELL NAME: Pure Gold "D" Federal

WELL #: # 1

COUNTY: Lea, New Mexico

LEASE ID:

SURFACE CASING				
OD	WT/FT	GRADE	SET AT	TOC
20	94 #	K-55	532'	Surface
INTERMEDIATE CASING				
OD	WT/FT	GRADE	SET AT	TOC
13-3/8"	68 & 61	S-80-K55	4,170'	Surf.
PRODUCTION CASING				
OD	WT/FT	GRADE	SET AT	TOC
9-5/8"	47 & 43.5	S-95	11,490'	6,810'
TUBING				
OD	WT/FT	GRADE	SET AT	TAL
5-1/2"	17 #	S-95	14,323'	11,116'



OXY USA Inc. (Kaiser Francis Oil Co.) - Final  
Pure Gold A Federal #1  
API No. 30-015-23175

67sx @ 72'-Surface VC  
255sx @ 509-72' Tagged  
200sx @ 1122-509' Tagged

400sx @ 1608-1122' Tagged

400sx @ 2896-1608' Tagged

400sx @ 3550-2896' Tagged

115sx @ 4256-4089' Tagged

200sx @ 5140-4640' Tagged

400sx @ 6350-5880' Tagged

120sx @ 6792-6411' Tagged

200sx @ 7415-6792' Tagged

400sx @ 8239-7415' Tagged

400sx @ 9479-8239' Tagged

2-3/8" tbg @ 9340 w/ pkr @ 13478'

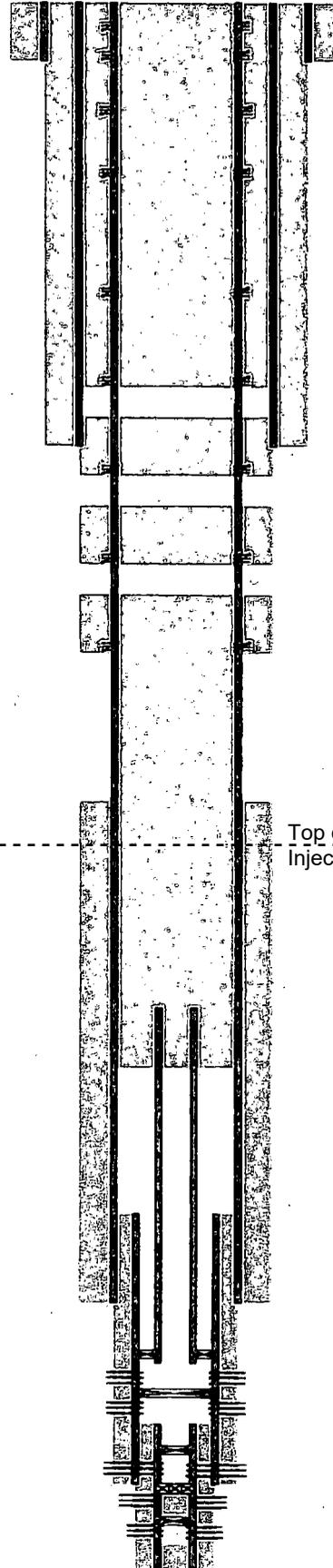
CIBP @ 13590' w/ 10' - 13580'

CIBP @ 14050 w/ 2sx - 14030'

CR @ 14142'sqz 200sx w/ 10' - 14132'

CIBP @ 14370' w/ 35' cmt-14335'

PB-14924'



Perf @ 72' 26" hole @ 600'  
Perf @ 509' 20" csg @ 583'  
w/ 1125sx-TOC-Surf-Circ  
Perf @ 1122' - Pressure to 750#  
Perf @ 1608' TOC-509'CBL

Perf @ 2896'

Perf @ 3550' 17-1/2" hole @ 4206'  
13-3/8" csg @ 4206'  
w/ 2850sx-TOC-Surf-Circ

Perf @ 4256'

Perf @ 5140'

Perf @ 6350'

Top of Proposed  
Injection Interval 8400'

12-1/4" hole @ 12400'  
9-5/8" csg @ 12398'  
w/ 1450sx-TOC-7850'-TS

8-3/4" hole @ 14161'  
7-5/8" liner @ 11860-14161'  
w/ 615sx-TOC-11860'-Sqz

6-3/4" hole @ 14976'  
5" liner @ 13702-14976'  
w/ 200sx-TOC-13702'-Circ

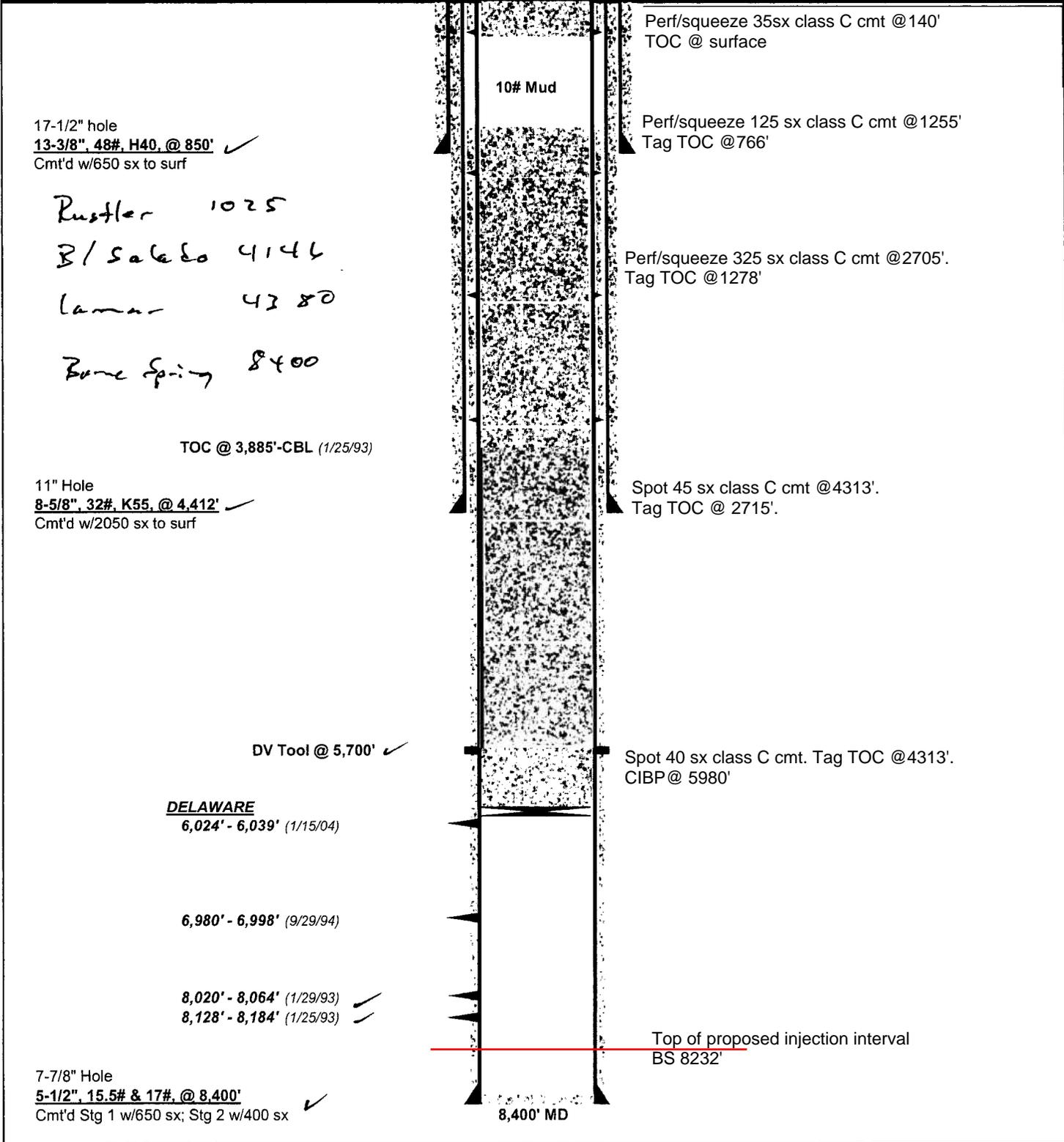
Perfs @ 13506-13510'  
Perfs @ 13624-13634'

Perfs @ 14084-14100'  
Perfs @ 14165-14228'  
Perfs @ 14414-14633'

TD-14967

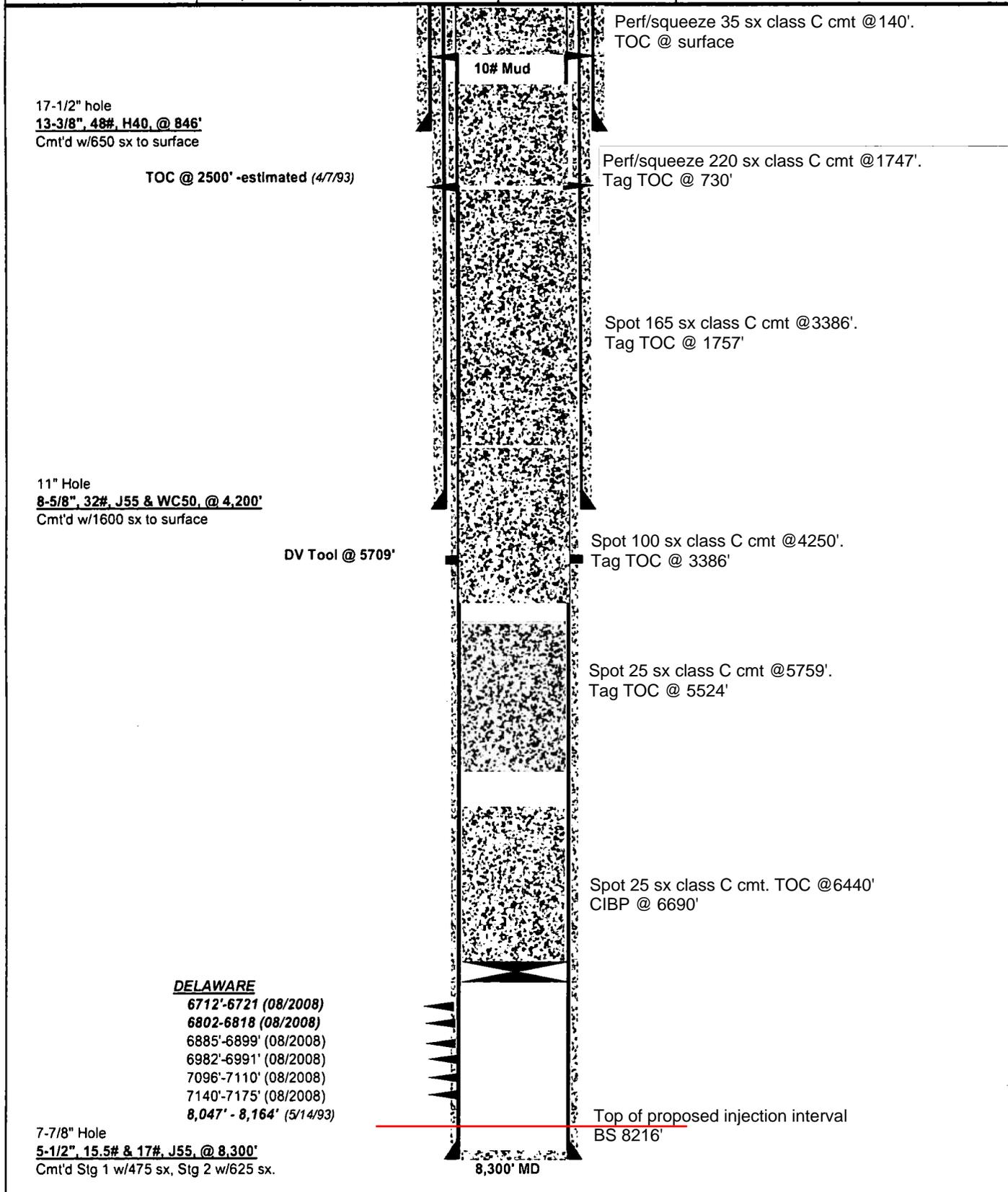
DEVON ENERGY PRODUCTION COMPANY LP

Well Name: TODD 26 N FEDERAL 14		Field: TODD SOUTHWEST	
Location: 330' FSL & 2180' FWL; 26-T235-R31E		County: EDDY	State: NM
Elevation: 3477' KB; 3458' GL; 19' KB to GL		Spud Date: 12/12/92	Compl Date: 2/20/93
API#: 30-015-27104	Prepared by: Ronnie Slack	Date: 2/13/18	Rev:



**DEVON ENERGY PRODUCTION COMPANY LP**

Well Name: TODD 26J FEDERAL #21		Field: INGLE WELLS	
Location: 1980' FSL & 1980' FEL; 26-T235-R31E		County: EDDY	State: NM
Elevation: 3448' GL		Spud Date: 3/18/93	Compl Date: 6/15/93
API#: 30-015-27200	Prepared by: Max Lubitz	Date: 6/28/18	Rev:



OXY USA Inc.  
Sand Dunes 34 Federal #1  
API No. 30-015-27255

Spot 140 sx class C cmt @ 1173'  
TOC @ surface

17-1/2" hole @ 806'  
13-3/8" csg @ 806'  
w/ 1000sx-TOC-Surf-Circ

Spot 200 sx class C cmt @ 3072'  
Tag TOC @ 1173'

CIBP @ 4340'. Spot 130sx class C cmt.  
Tag TOC @ 3072'

3993

11" hole @ 4220'  
8-5/8" csg @ 4220'  
w/ 1650sx-TOC-Surf-Circ

Perfs @ 4390-4414' Basal Hwy 4112  
Ramsay

Ded. 4344

Ball Crn 4390

Cherry Crn 5295

Braesby Crn 6543

Perfs @ 6218-6233' (CH) BS 8224

CIBP @ 6170'. Spot 55 sx class C cmt.  
Tag TOC @ 5412'

5806

Perfs @ 6780-6792' (BC) 502 100 sx

Perfs @ 7352-7358' (BC)

7-7/8" hole @ 8338'  
5-1/2" csg @ 8338'

w/ 1485sx-TOC-Surf-Circ

DVT's @ 5806', 3993'

Perfs @ 8114-8182' (BC)

Top of proposed injection interval  
BS 8224'

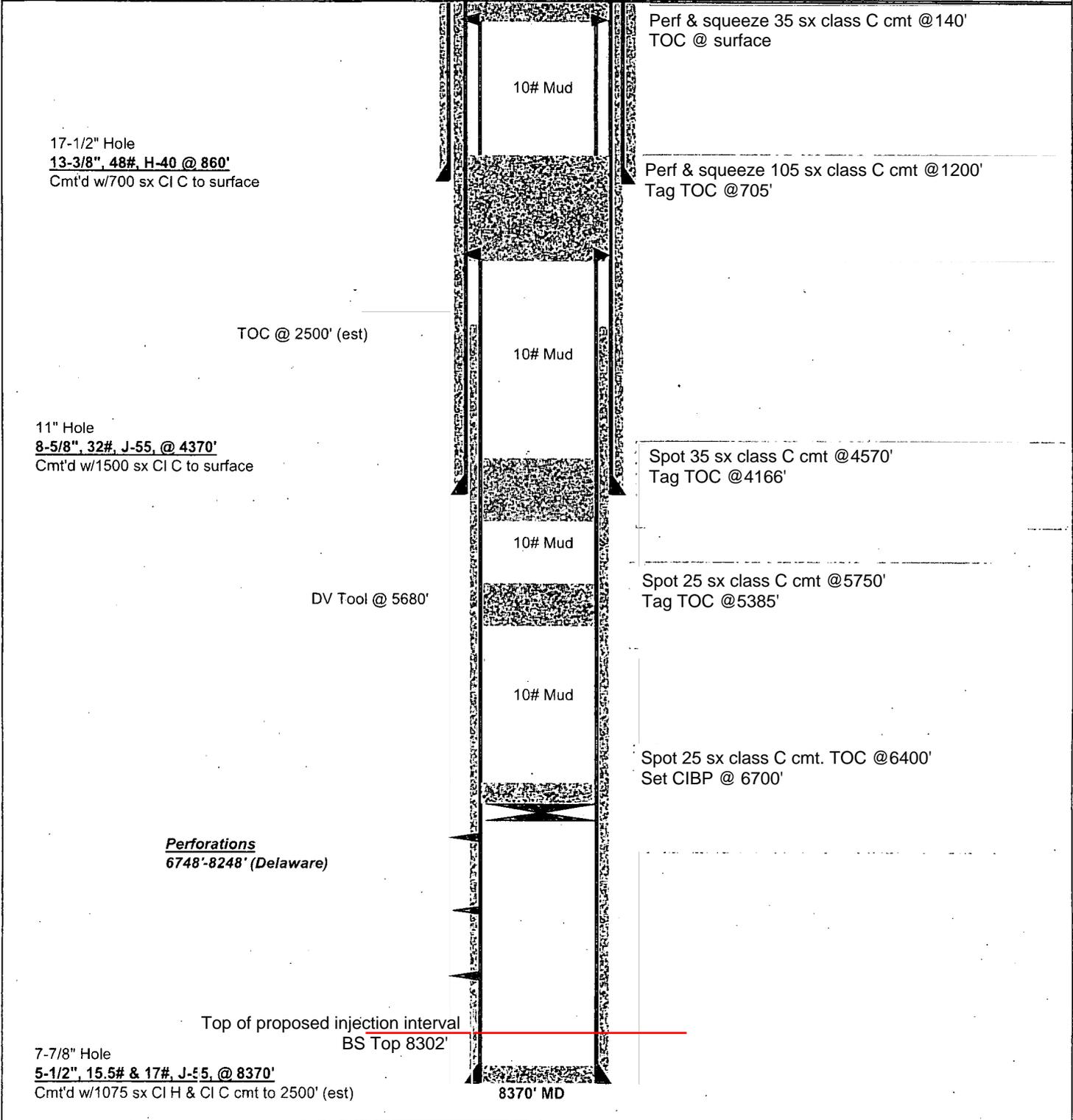
PB-8291'

TD-8338'



DEVON ENERGY PRODUCTION COMPANY LP

Well Name: TODD 25M FED 13	Field: Todd East
Location: 602 FSL 660 FWL SEC 25-T23S-R31E	County: Eddy State: New Mexico
Elevation: 3430 GL	Spud Date: 10/21/1993 Compl Date: 1/2/1994
API#: 30-015-27386	Prepared by: Arnon Radtka Date: 7/8/19 Rev:





# Geology

# North Corridor Type Log

**CAL-MON 35 FEDERAL 171H PILOT**  
 Operator: OXY USA INC UWI: 3001544269000  
 Well datum value: 3482.7 ft TD (MD): 12925.0 ft

XGR	TVD	MD	XRES	XNP	Lime
0.00	0.00	0.00	0.000	0.1000	Sand
XCAL	420	XPEF			Clay
6.0 in 16.0			0.00	0.00	
Gamma Ray			420_XRHOB		

**CAL-MON 35 FEDERAL 171H PILOT**  
 Operator: OXY USA INC UWI: 3001544269000  
 Well datum value: 3482.7 ft TD (MD): 12925.0 ft

XCHGR	TVD	XRES	XNP	Lime
0.00	0.00	0.000	0.1000	Sand
XCAL	420	XPEF		Clay
6.0 in 16.0			0.00	
Gamma Ray			420_XRHOB	

## Barriers protecting fresh water

- Rustler
- Salado Salt (~2,000ft thick)
- Castile Formation (~1,400ft thick)
  - > Low permeability anhydrite, gypsum, and calcite
- Delaware Mountain Group (~3,900ft thick)
  - > Low porosity/ low permeability sands

## Bone Spring and Wolfcamp Reservoir Characteristics

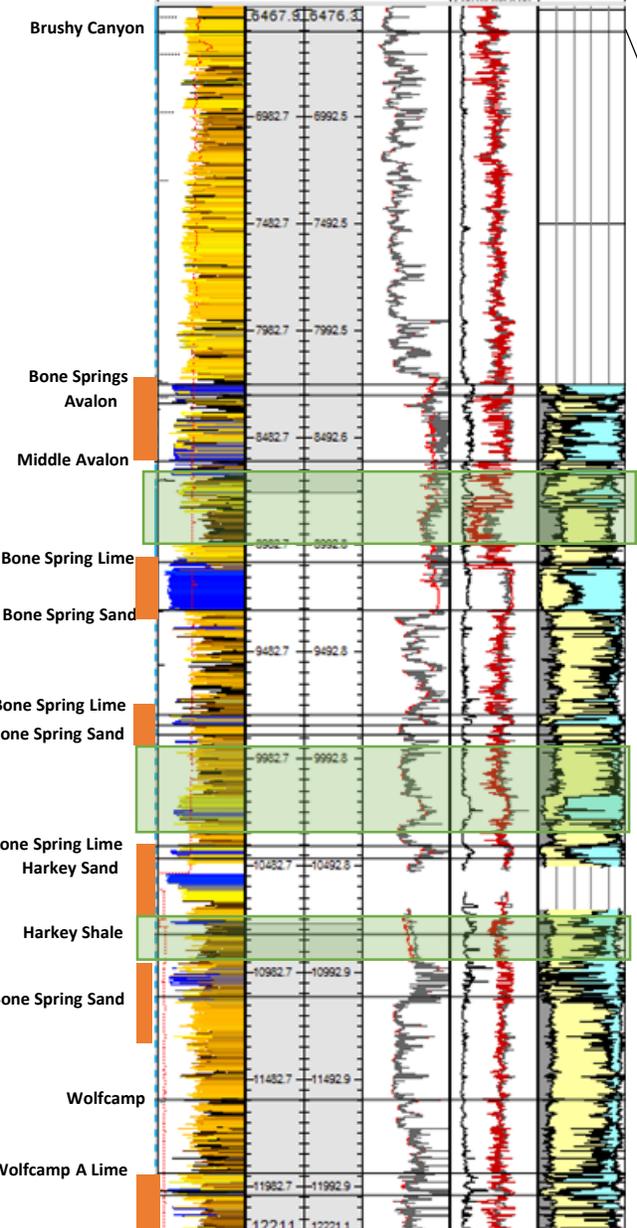
- Composed of large-scale cycles of alternating carbonate and siliclastic-dominated successions
- Siliclastic members are low stand turbidite channel, fans & distal sheets
  - > Very fine-grained sandstones and silts, mudstones, and shales
  - > Porosity 4-9% Permeability 400-800nD
  - > Authigenic clays are present
- Carbonate members are high stand submarine debris flows & sheets and act as internal barriers to flow between the different sandstone members

## Immediate barriers to flow outside of Bone Spring/ Wolfcamp

- Low permeability & porosity limes and siltstones at the top of the Avalon
- Low permeability & porosity siltstones and shales of the lower Wolfcamp

## Surrounding Production

- Delaware Mountain Group
  - > Brushy Canyon oil production: Deepest production ~7,500' TVD
- Wolfcamp
  - > Oil production: Shallowest production ~11,600' TVD



Lowest water near base of Rustler

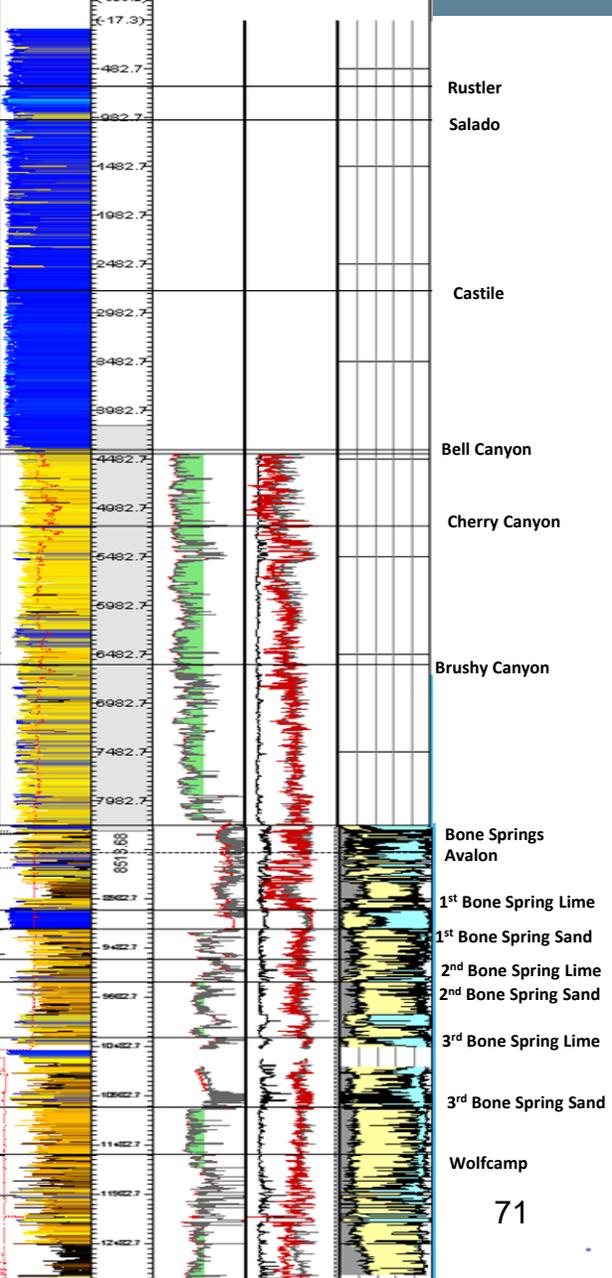
Higher Oil Zone  
Brushy Canyon  
~7,500' TVD

Lower Oil Zone  
Wolfcamp  
~11,600' TVD

Delaware Mountain Group

Bone Springs

Wolfcamp



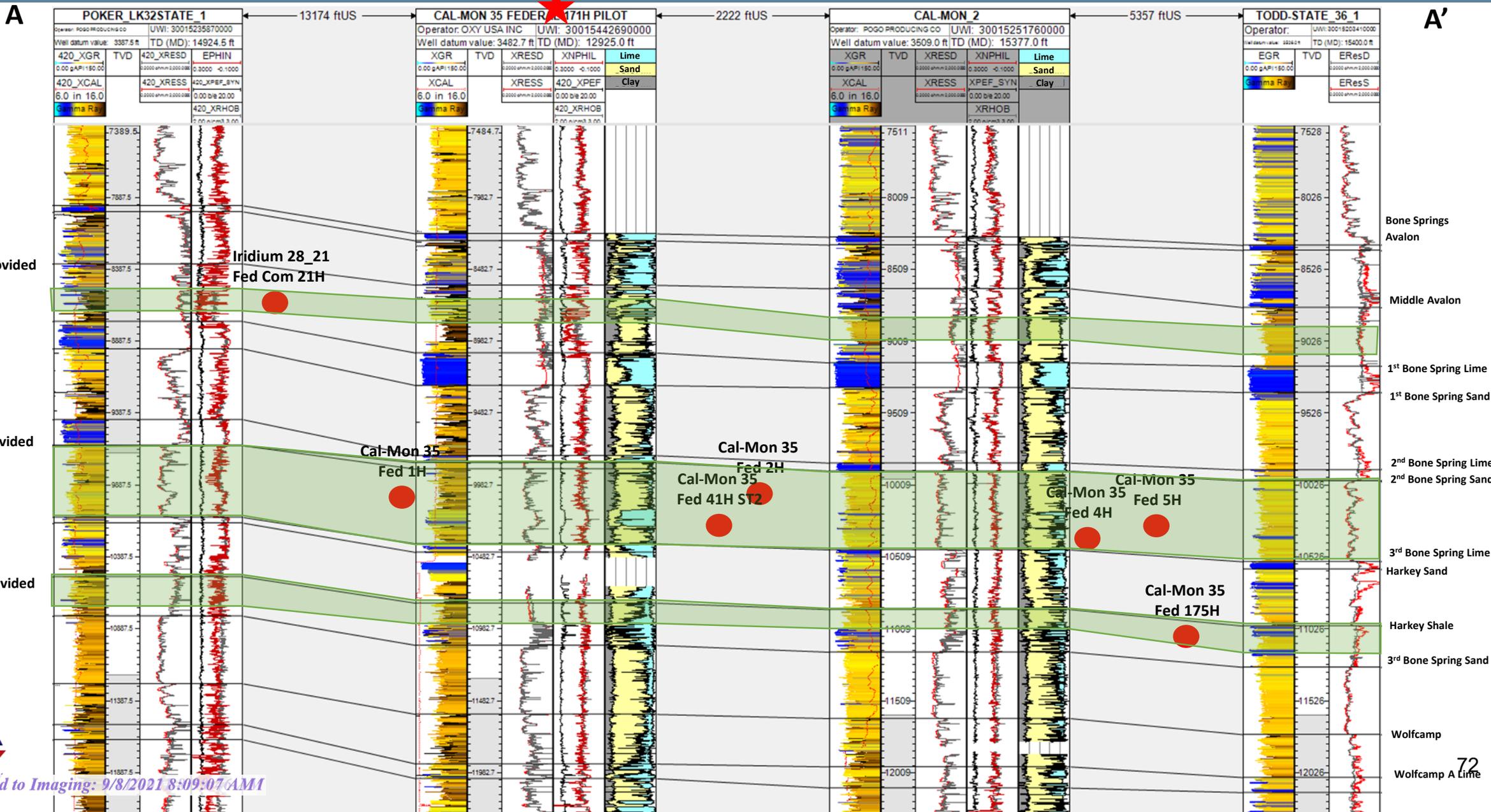
**OXY**

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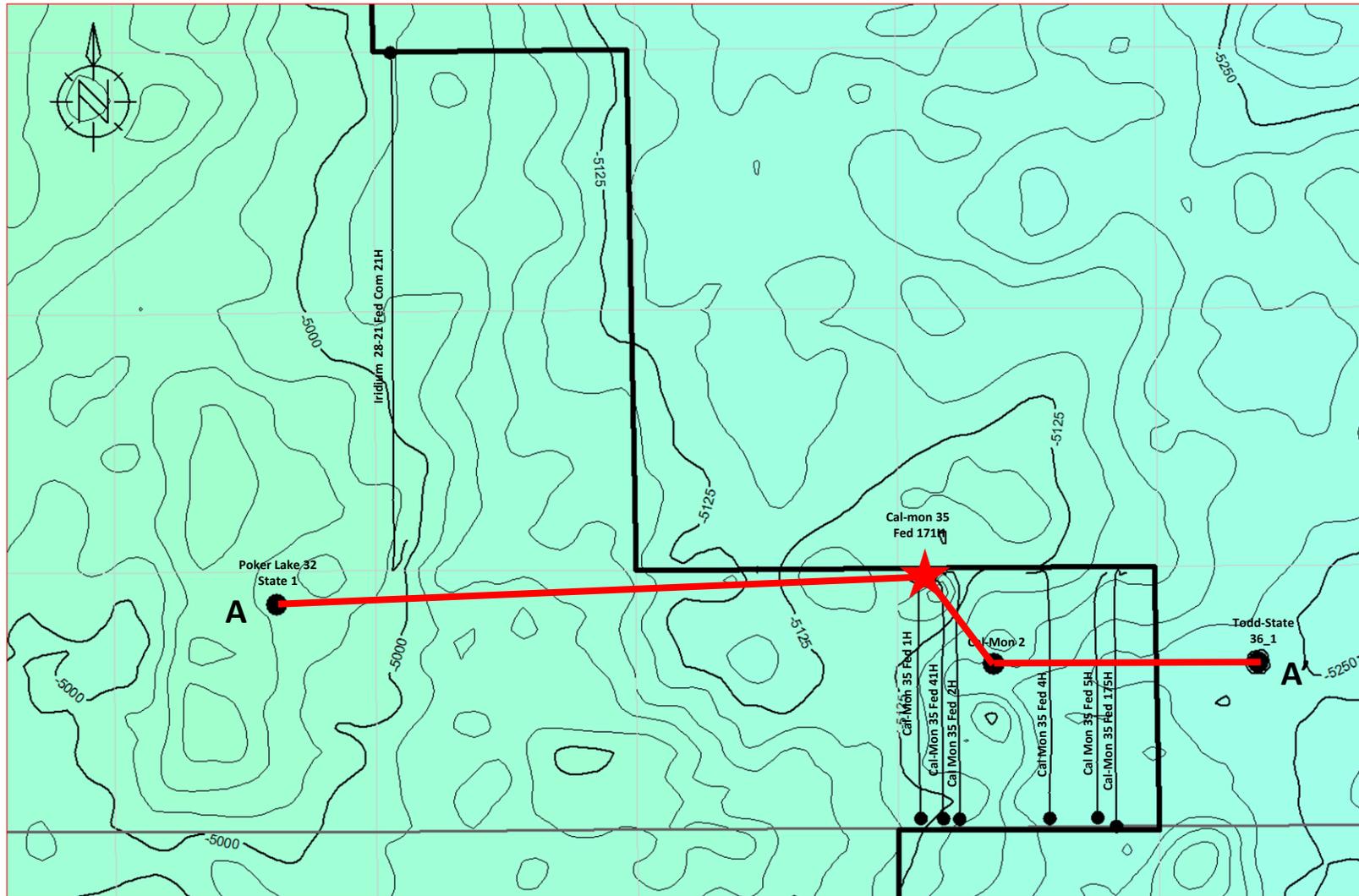
Barriers to migration from gas injected into the Bone Spring or Wolfcamp

Proposed Storage Interval

# NORTH Corridor Cross-Section



# North Corridor Maps- Middle Avalon



**Middle Avalon Structure Map**

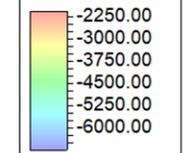
Scale	User name
1:40000	wiechmam
Contour inc	Date
25	08/04/2021

0 1000 2000 3000 4000 5000ftUS



1:40000

**Elevation depth**



**Geologic Information for Wells injecting into the Avalon member of the Bone Spring Formation**

One well will be injecting into the lower portion of the Avalon member of the Bone Spring Formation. The well has an average TVD of approximately 8,700 ft. with a lateral length of approximately 10,500 ft. The Avalon is a very fine-grained quartz-rich and brittle siltstone with alternating cycles of carbonate rich mudstones deposited by gravity flows. Core data and petrophysical analysis indicates a tight reservoir with an average porosity of 8.4% and an average permeability of 0.000340mD. The reservoir has a clay content of 20–26% including illite and smectite. Cements include Fe-calcite, Fe-dolomite, with some quartz overgrowths. Minor amounts of pyrite (<1%) are present.

Low-permeability barriers within the upper Avalon and the 1<sup>st</sup> Bone Spring Lime act as barriers directly above and below the reservoir. The upper Avalon consist of fine-grained siltstones, carbonate mudstone and dolomudstone that have very low vertical permeabilities and an average thickness of 450 ft. Underlying is the 1<sup>st</sup> Bone Spring Lime, a ~ 200ft thick carbonate rich interval that acts as a flow barrier. Laterally the injection will be primarily contained by the reservoir volume that has been previously and partially depleted by the adjacent producing wells. The tight low-permeability reservoir and the production from the adjacent wells will be the primary constraints on the conformance of the injection to the project area and are expected to contain the injected gas.

The top of the Bone Spring Formation is at approximately 8,000 ft. TVD, with over 2,000 ft. of carbonate mudstones and shales acting as permeability barriers to upward migration of injected gas. Overlying the Bone Springs is the Delaware Mountain Group, which consists of connate-water bearing and hydrocarbon-bearing low permeability and porosity sands, with minor limestone and shale intervals and is approximately 3,700 ft. thick. Above that is the Castile Formation consisting of very low permeability anhydrite, gypsum, and calcite that acts as another 1,500 ft. thick barrier to upward movement of fluids. The Salado overlies the Castile and forms a 1,000 ft. thick barrier of salt. The top of the Salado is at approximately 750 ft. TVD and the deep aquifers found just above the Salado at the base of the Rustler are saline water. The top of Rustler Formation is at approximately 400 ft. The Rustler top is a continuous anhydrite layer that acts as another permeability barrier creating a perched aquifer above it that is the lowest level where fresh water is known in the area, water wells drilled in the area typically have not reached this depth. Due to the thickness of multiple impermeable rock layers above the injection reservoir there is little possibility for migration upward into freshwater aquifers where they exist.

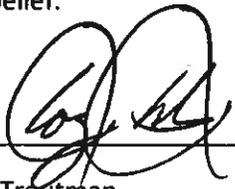
**Locate freshwater wells within two miles:**

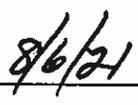
An investigation of existing shallow water wells has not found any freshwater wells within a two mile radius of this injector.

**Well List:**

**Iridium MDP1 28-21 Fed Com 21H**

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

  
\_\_\_\_\_  
Tony Troutman  
Geologist

  
\_\_\_\_\_  
Date

## Geologic Information for Wells injecting into the 2<sup>nd</sup> Bone Spring Sand Member of the Bone Spring Formation

Five wells will be injecting into the 2<sup>nd</sup> Bone Spring Sandstone of the Bone Spring Formation. The wells have an average TVD of approximately 9,800 ft. with lateral lengths of approximately 5,000 ft. The wells inject into a reservoir composed of tight siltstone, laminated mudstone, and pelagic shales. Core data and petrophysical analysis indicates a tight reservoir with a 7% average porosity and an average permeability of 0.0016mD. The reservoir has a clay content of 20–26% including illite and smectite. Cements include Fe-calcite, Fe-dolomite, with some quartz overgrowths. Minor amounts of pyrite (<1%) are present.

Low-permeability carbonate mudstones and dolomudstone barriers of the 2<sup>nd</sup> Bone Spring Lime and 3<sup>rd</sup> Bone Spring Lime act as flow barriers directly above and below the reservoir. Laterally the injection will be primarily contained by the reservoir volume that has been previously and partially depleted by the adjacent producing wells. The tight low-permeability reservoir and the production from the adjacent wells will be the primary constraints on the conformance of the injection to the project area and are expected to contain the low pressure injected gas.

The top of the Bone Spring Formation is at approximately 8,000 ft. TVD, with over 2,000 ft. of carbonate mudstones and shales acting as permeability barriers to upward migration of injected gas. Overlying the Bone Springs is the Delaware Mountain Group, which consists of connate-water bearing and hydrocarbon-bearing low permeability and porosity sands, with minor limestone and shale intervals and is approximately 3,700 ft. thick. Above that is the Castile Formation consisting of very low permeability anhydrite, gypsum, and calcite that acts as another 1,500 ft. thick barrier to upward movement of fluids. The Salado overlies the Castile and forms a 1,000 ft. thick barrier of salt. The top of the Salado is at approximately 750 ft. TVD and the deep aquifers found just above the Salado at the base of the Rustler are saline water. The top of Rustler Formation is at approximately 400 ft. The Rustler top is a continuous anhydrite layer that acts as another permeability barrier creating a perched aquifer above it that is the lowest level where fresh water is known in the area, water wells drilled in the area typically have not reached this depth. Due to the thickness of multiple impermeable rock layers above the injection reservoir there is little possibility for migration upward into freshwater aquifers where they exist.

### Locate freshwater wells within two miles:

An investigation of existing shallow water wells has not found any freshwater wells within a two mile radius of this injector.

### Well List:

Cal-mon MDP1 35 Federal 1H  
Cal-mon MDP1 35 Federal 2H  
Cal-mon 35 Federal 41H ST1  
Cal-mon MDP1 35 Federal 4H  
Cal-mon MDP 1 35 Federal 5H

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



Tony Troutman  
Geologist

8/6/21  
Date

**Geologic Information for Wells injecting into the 3<sup>rd</sup> Bone Spring Lime Member, Bone Spring Formation**

One well will be injecting into the 3<sup>rd</sup> Bone Lime; specifically, into the siliciclastic member the Harkey Shale. The well has an average TVD of approximately 10,950 ft. with lateral length of approximately 5,000 ft. The well injects into a reservoir which is composed of tight siltstones and mudstones deposited in a lowstand turbidite environment and has an average porosity of 7% and an average permeability of 0.0003 mD.

Where developed the middle 3<sup>rd</sup> Bone Lime acts as barrier directly above the injection reservoir, where less developed shales and tight siltstones act as a barrier. This upper barrier is approximately 200ft. Low permeability and porosity siltstones, carbonate mudstones, and shales of the 3<sup>rd</sup> Bone Spring Lime act as a barrier below the Harkey; this interval is approximately 250 ft. thick. Laterally the injection will be primarily contained by the reservoir volume that has been previously and partially depleted by the adjacent producing wells. The tight low-permeability reservoir and the production from the adjacent wells will be the primary constraints on the conformance of the injection to the project area and are expected to contain the injected gas.

The top of the Bone Spring Formation is at approximately 8,000 to 8,200 ft. TVD depending on location within the field, with over 2,000 ft. of carbonate mudstones and shales acting as permeability barriers to upward migration of injected gas. Overlying the Bone Springs is the Delaware Mountain Group, which consists of connate-water bearing and hydrocarbon-bearing low permeability and porosity sands, with minor limestone and shale intervals and is approximately 3,700 ft. thick. Above that is the Castile Formation consisting of very low permeability anhydrite, gypsum, and calcite that acts as another 1,500 ft. thick barrier to upward movement of fluids. The Salado overlies the Castile and forms a 1,000 ft. thick barrier of salt. The top of the Salado is at 750-900 ft. TVD (depending on location within the field) and the deep aquifers found just above the Salado at the base of the Rustler are saline water. The top of Rustler Formation is at approximately 500 ft. The Rustler top is a continuous anhydrite layer that acts as another permeability barrier creating a perched aquifer above it that is the lowest level where fresh water is known in the area, water wells drilled in the area typically have not reached this depth. Due to the thickness of multiple impermeable rock layers above the injection reservoir there is little possibility for migration upward into freshwater aquifers where they exist.

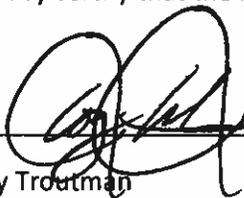
**Locate freshwater wells within two miles:**

An investigation of existing shallow water wells has not found any freshwater wells within a two mile radius of this injector.

**Well List:**

**Cal-Mon 35 Federal 175H**

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

  
\_\_\_\_\_  
Tony Troutman

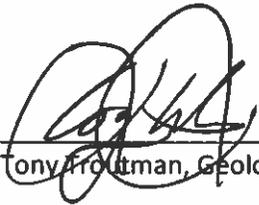
Geologist

  
\_\_\_\_\_  
Date

Closed Loop Gas Capture (CLGC) Project

Affirmative Statement 1

The operator examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the disposal zone and any underground source of drinking water.

  
\_\_\_\_\_  
Tony Proffman, Geologist

6/10/2021  
Date

  
\_\_\_\_\_  
Xueying Xie, Reservoir Engineer

6/10/2021  
Date

# Reservoir Engineering

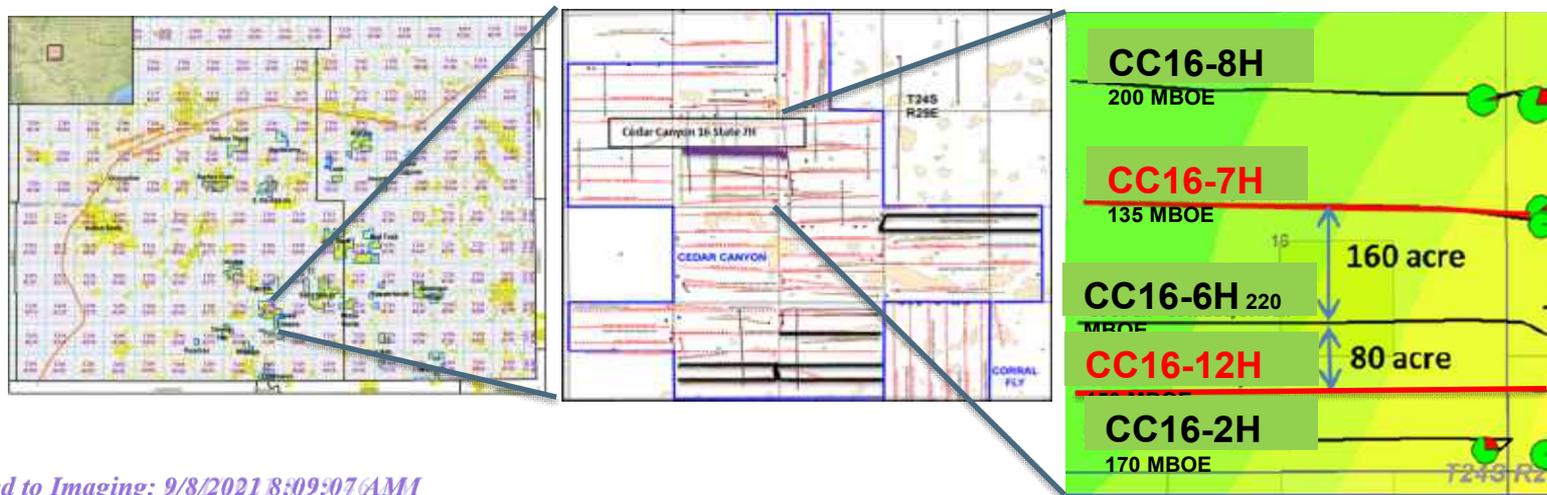
# Project Overview- NC

- Closed loop gas capture project (CLGC) IN Oxy's NM assets
- Produced gas injection into productive formations in NM (Avalon, 2<sup>nd</sup> Bone Spring, Harkey)
- Gas injection into horizontal wells of varying lateral length (5,000'-10,000')
- Purpose of Modeling
  - > Review potential effects on wells adjacent to the CLGC area
  - > Quantify movement of the injected gas
  - > Utilize data from Cedar Canyon Huff and Puff Projects



# Model Set up

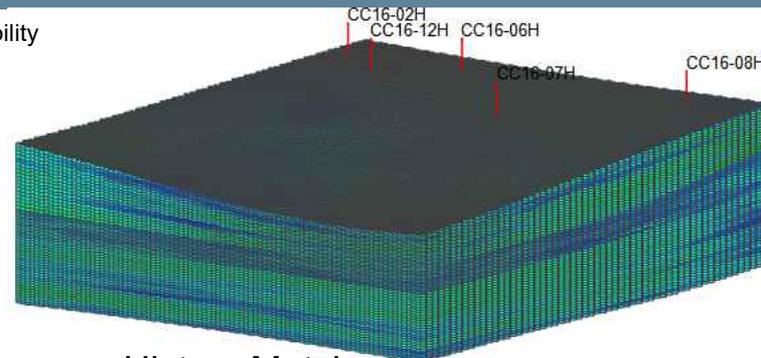
- Uses Cedar Canyon Sec 16 2<sup>nd</sup> BSS (as shown in layout below)
- Gas Injection pilot (EOR) was implemented in CC16-7H well in 2017
- Reservoir model is history matched for primary production and gas injection pilot
- Model is also tuned to capture injection gas breakthrough in offset wells that was observed during pilot period
- Gas injection pilot wells are 4 wells per section; model is adjusted to simulate the effect of closer wells (6 wps)



# Section-16 Reservoir Model

Location: Lea County, NM  
 Model Acreage: 640  
 Pay Horizon: 2<sup>nd</sup> Bone Springs Sand  
 Lithology: Sandstone interbedded with Limestone  
 Trap Type: Stratigraphic  
 Nominal Depth: 8400 ft  
 Gas Cap (at discovery): No  
 Primary Drive Mechanism: Solution Gas Drive

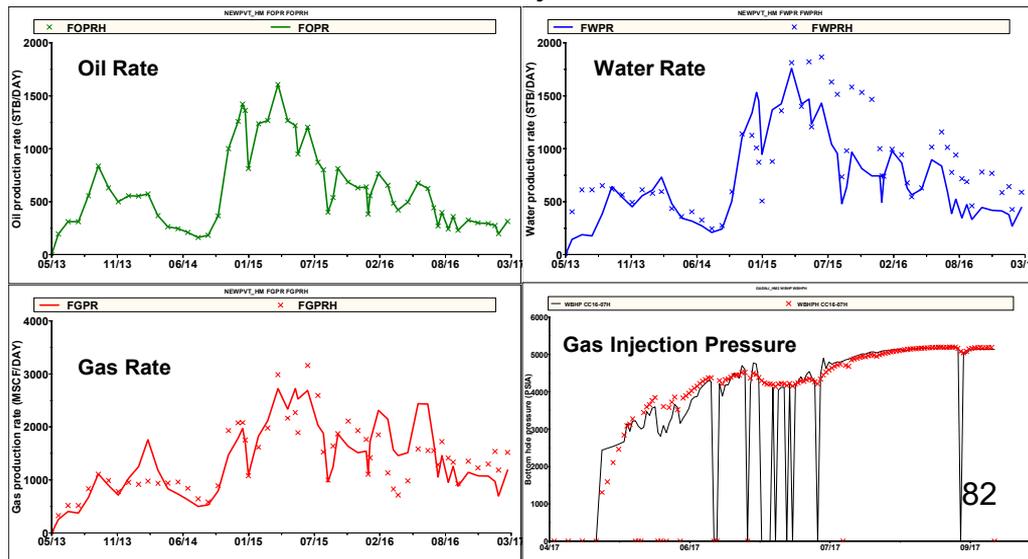
Structure & Permeability  
 1,177,400 Grids  
 56 Layers



History Match

Gross Pay:	320 ft
Net Pay:	320 ft
Avg Porosity:	6.8%
Initial Sw:	50%
Permeability:	0.001md (matrix)
Initial Reservoir Pressure:	4500 psi
Reservoir Temperature:	150 F
Oil Gravity:	42 API
Boi:	1.63 RB/STB
Rsi:	1480 SCF/STB
Original Oil in Place:	28 MMSTB

Model Inputs

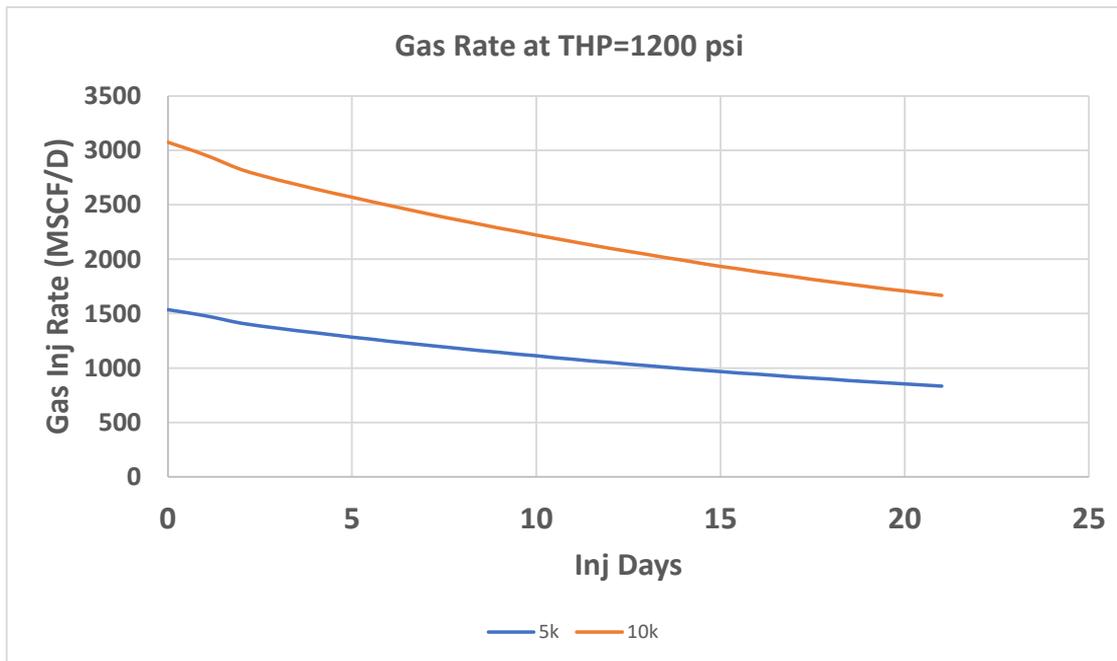


# Gas Storage Simulation Process

- Run primary production for all wells for additional period (post history match) – Base Case
- Inject gas in injection well at 2MMSCFPD for 7 days
- Produce the injection well post injection – Injection Case
- Observe the effect on oil, gas rate/recovery in injection well and offset wells by comparing Base and Injection cases



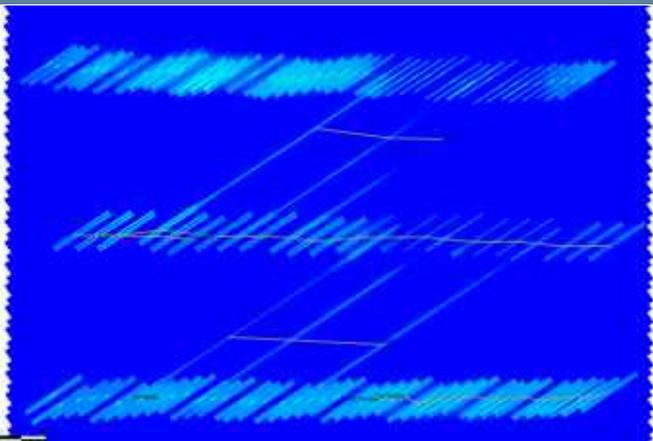
# Gas Injection Rates



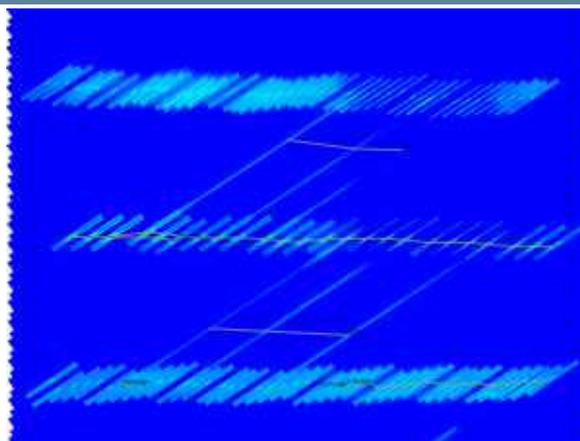
For a 10k well, 3 MMSCFPD is the max injection rate at THP of 1200 psi. Injection rate declines to about 50% of its initial value in 3 weeks. For long injection case a flat injection rate of 3MMSCFPD for 3 weeks is used as worst-case scenario. There is a decrease in rate if THP is increased to 1250 psi.



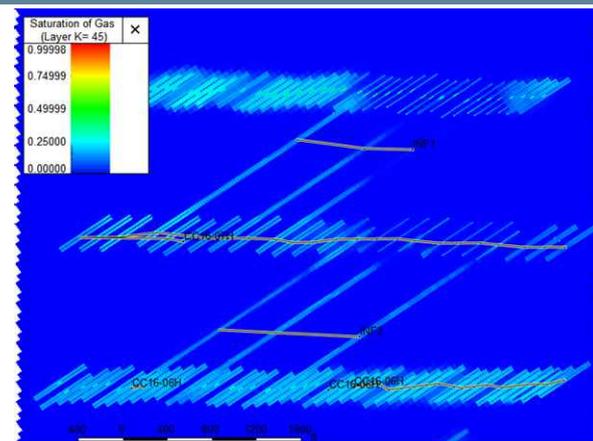
# Gas Injection Profile



Before injection

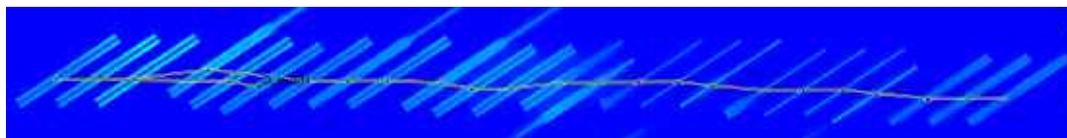


After 1 week of injection (3 MMSCFPD)

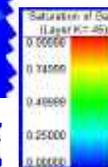
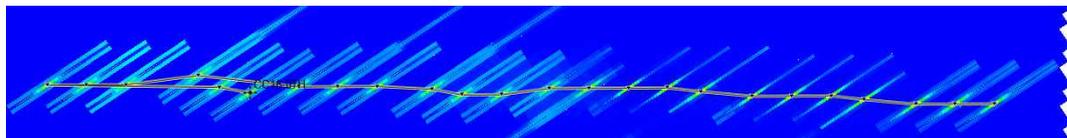


After 16 months production

Before Injection CC16-7H Blow-up



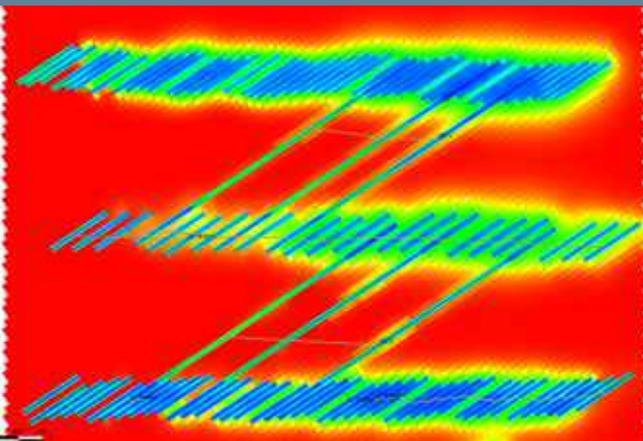
After Injection CC16-7H Blow-up



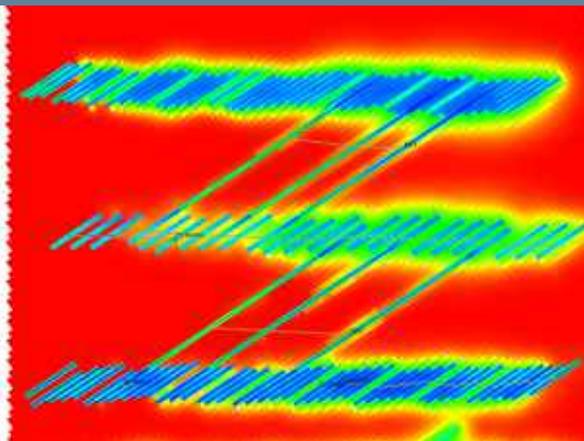
- Gas is stored within fractures.
- All injection cases indicate horizontal gas movement of 100 ft or less into the fractures.



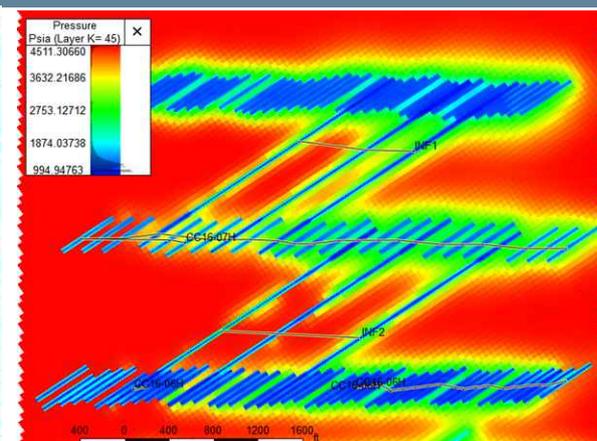
# Pressure Profile



Before injection

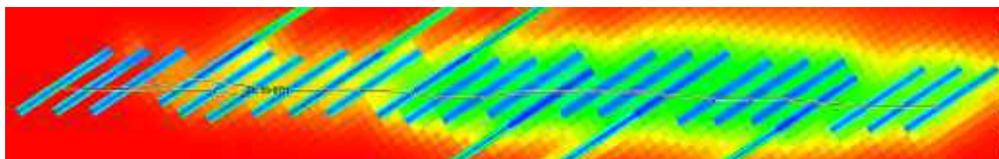


After 1 week of injection (3 MMSCFPD)

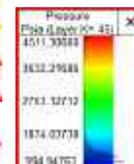
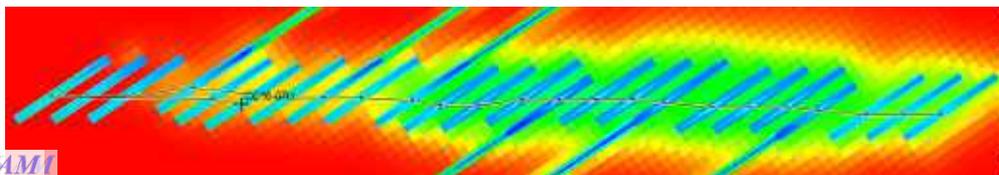


After 16 months production

Before Injection CC16-7H Blow-up



After Injection CC16-7H Blow-up



# Summary of Cases

Case	Injection Description*	WPS	Oil recovery effect in injected well (MBO)	Oil recovery effect in offset wells (MBO)	Gas breakthrough in Offset well
1	Single Well	4	No change	No change	No
2	Single Well**	6	No change	No change	No
3	Single Well	8	No change	No change	No
4	Single Well (Multiple injection and production cycles)	6	No change	No change	No
5	Single well***	6	No change	No change	No
6	Multiple Adjacent Wells	4	No change	No change	No
7	Multiple Adjacent Wells	6	No change	No change	No
8	Multiple Adjacent Wells	8	No change	No change	No

\*All injection at 2MMSCF/DAY for 7 days except cases 2 and 5

\*\*Injection at 3MMSCF/DAY for 7 days

\*\*\*Injection at 3MMSCF/DAY for 21 days



## Gas Storage Capacities - NC

API	Well Name	Gas Storage Capacity with 1200 psi WHP Injection	
		Fracture volume gas equivalent, mmscf	Total prod gas equivalent, mmscf
30015447710000	CAL MON MDP1 35 FED 001H	130	722
30015447720000	CAL MON MDP1 35 FED 002H	130	762
30015447740000	CAL MON MDP1 35 FED 004H	129	613
30015447750000	CAL MON MDP1 35 FED 005H	129	789
30015455240000	CAL-MON 35 FED 175H	133	376
30015431400200	CAL-MON FEDERAL 35 41H ST2	145	883
30015450740000	IRIDIUM MDP1 28-21 FED COM 21H	276	1806

- **Gas storage capacity is high for each well**
  - **Even just stored gas in fractures, the capacity is over 100 mmscf**
- **The expected gas injection volume for each well during each event could be up to 60 mmscf, this is way below the storage capacity**



# Frac Height and SRV - NC

- **Frac height:**
  - **Avalon: Based on Tanks Avogato**
    - XH= 340'
    - Xf = 350'
  - **2BSS: Based on Nimitz**
    - XH = 285',
    - Xf = 300-400'
  - **Harkey**
    - XH = 350'
    - Xf=400'
- **SRV**
  - **SRV= 2\*Xf\*Xh\*Well length**

API 14	Well Name	SRV, ft <sup>3</sup>
30015447710000	CALMON-35-1H	898,348,500
30015447720000	CALMON-35-2H	917,301,000
30015431400200	CAL-MON41HST	848,673,000
30015450740000	IRI28-21-21H	2,403,562,000
30015455240000	CAL-MON-175H	1,442,840,000
30015447740000	CALMON-35-4H	917,301,000
30015447750000	CALMON-35-5H	907,126,500

Closed Loop Gas Capture (CLGC) Project

Affirmative Statement 2

The operator examined the available geologic and engineering data and determined 1) the total recoverable volume of hydrocarbons from the reservoir will not be adversely affected by the project and 2) the gas composition will not damage the reservoir.

Xueying Xie

6/9/2021

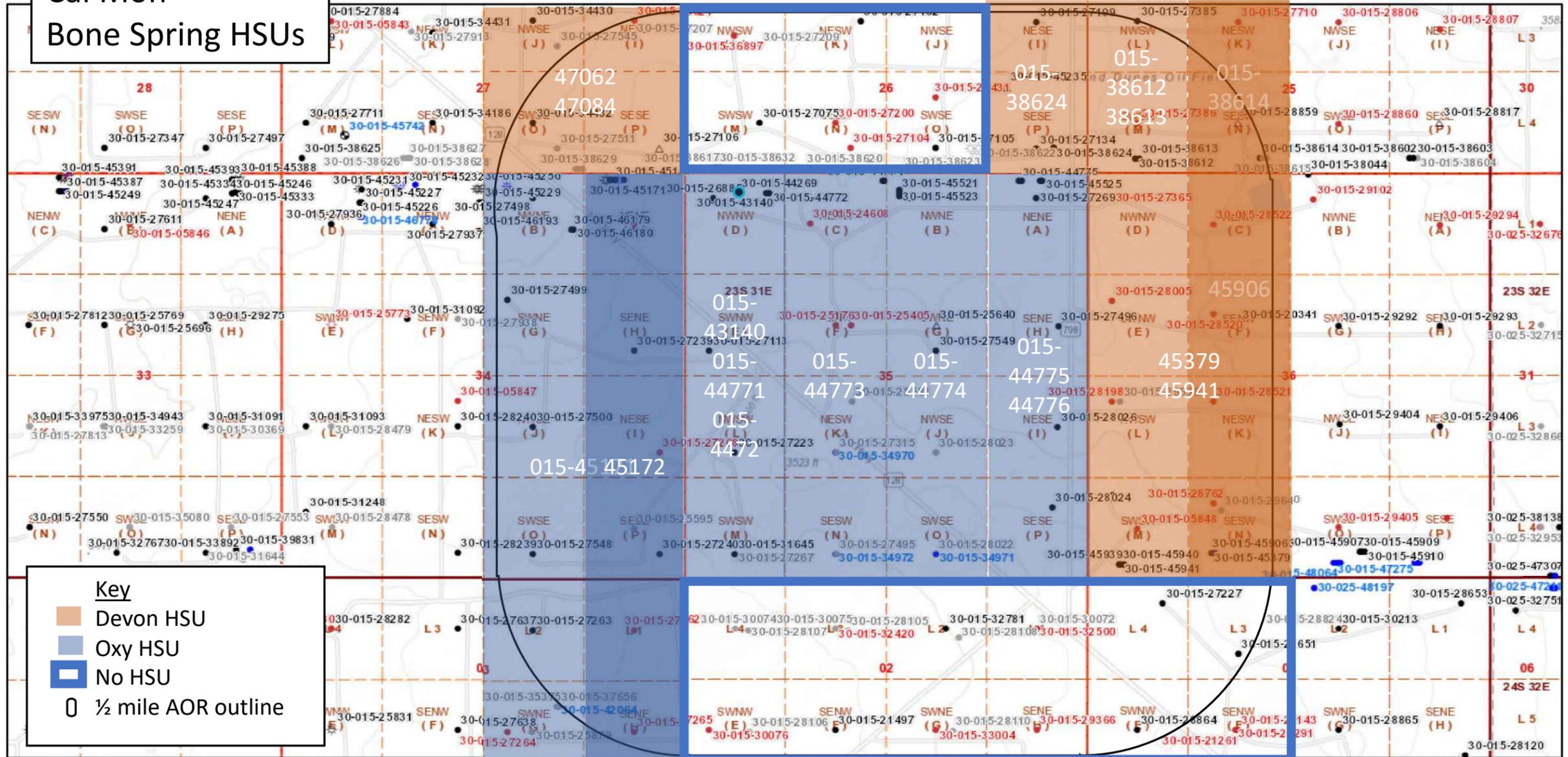
\_\_\_\_\_  
Xueying Xie, Reservoir Engineer

\_\_\_\_\_  
Date

# Notice

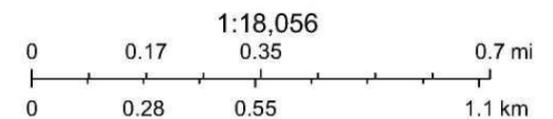


# Cal Mon Bone Spring HSUs



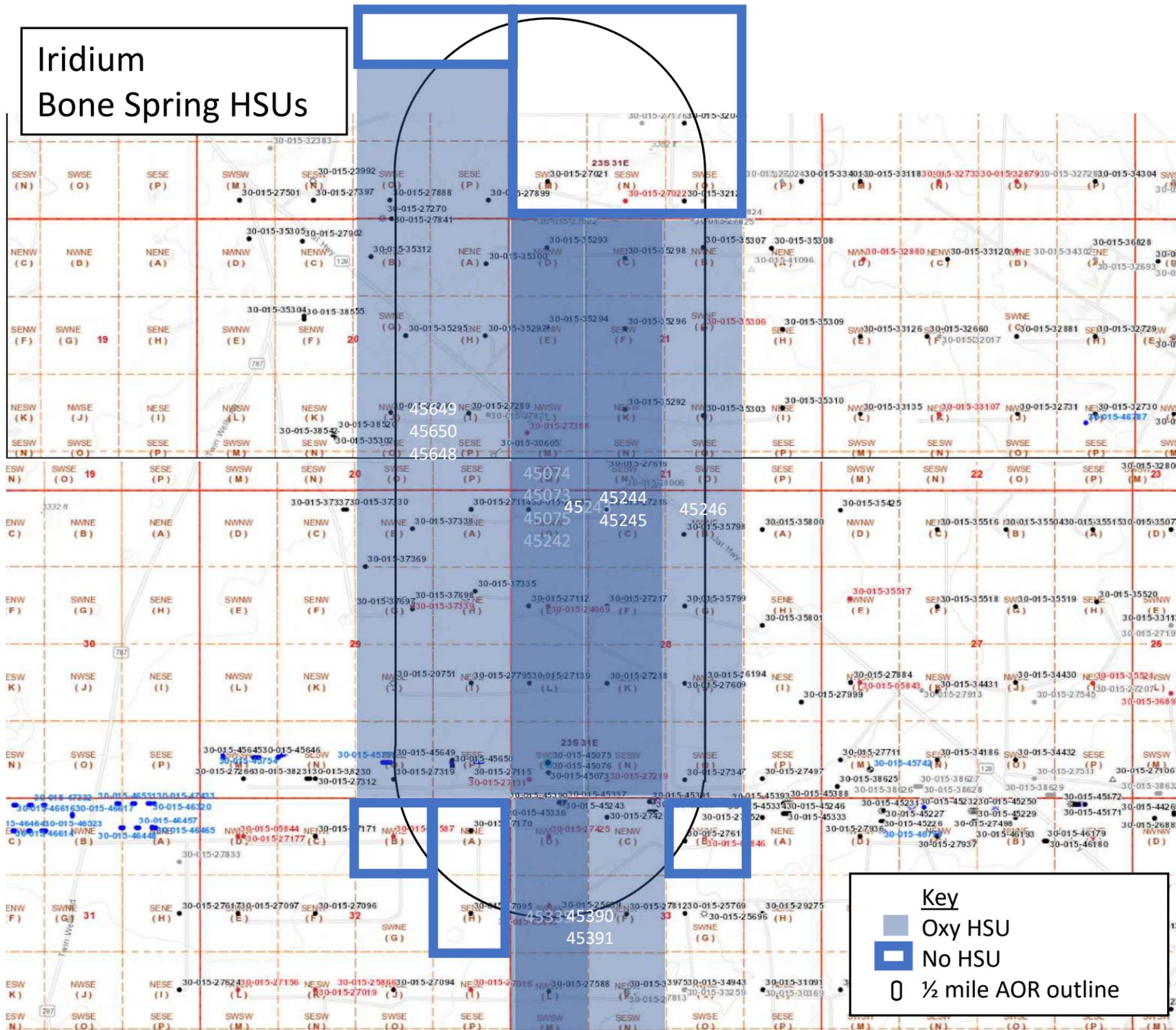
4/8/2021, 8:28:38 AM

- |                     |                            |                                  |                                 |                                             |
|---------------------|----------------------------|----------------------------------|---------------------------------|---------------------------------------------|
| Wells - Large Scale | CO2, Temporarily Abandoned | Injection, Active                | Oil, Cancelled                  | Salt Water Injection, New                   |
| undefined           | Gas, Active                | Injection, Cancelled             | Oil, New                        | Salt Water Injection, Plugged               |
| Miscellaneous       | Gas, Cancelled             | Injection, New                   | Oil, Plugged                    | Salt Water Injection, Temporarily Abandoned |
| CO2, Active         | Gas, New                   | Injection, Plugged               | Oil, Temporarily Abandoned      | Water, Active                               |
| CO2, Cancelled      | Gas, Plugged               | Injection, Temporarily Abandoned | Salt Water Injection, Active    | Water, Cancelled                            |
| CO2, New            | Gas, Temporarily Abandoned | Oil, Active                      | Salt Water Injection, Cancelled | Water, New                                  |
| CO2, Plugged        |                            |                                  |                                 |                                             |

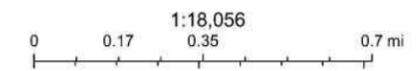


Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, EPA, USDA, OCD, BLM

New Mexico Oil Conservation Division  
 NM OCD Oil and Gas Map. <http://nm-emnrd.maps.arcgis.com/apps/webappviewer/index.html?id=4d017f2306164de29fd2fb9f8f35ca75>: New Mexico Oil Conservation Division



021, 8:17:54 AM  
 Large Scale CO2, Temporarily Abandoned Injection, Active Oil, Cancelled Salt Water Injection, New



## Notice List- NC

Name	Street	City	State	Zip	Merged Address
<b>Surface Owner</b>					
BLM	620 E. Greene St.,	Carlsbad	NM	88220	BLM 620 E. Greene St., Carlsbad, NM 88220
<b>Leasehold Operators</b>					
Chevron USA Inc.	6301 Deauville	Midland	TX	79706	Chevron USA Inc. 6301 Deauville Midland, TX 79706
Devon Energy Production Company LP	333 W. Sheridan Ave	Oklahoma City	OK	73102	Devon Energy Production Company LP 333 W. Sheridan Ave Oklahoma City, OK 73102
EOG Resources Inc.	P.O. Box 2267	Midland	TX	79702	EOG Resources Inc. P.O. Box 2267 Midland, TX 79702
EOG Y RESOURCES, INC.	104 S 4TH ST	ARTESIA	NM	88210	EOG Y RESOURCES, INC. 104 S 4TH ST ARTESIA, NM 88210
Kaiser-Francis Oil Co.	P.O. Box 21468	Tulsa	OK	74121	Kaiser-Francis Oil Co. P.O. Box 21468 Tulsa, OK 74121
NGL WATER SOLUTIONS PERMIAN, LLC	865 NORTH ALBION ST. SUITE 400	DENVER	CO	80220	NGL WATER SOLUTIONS PERMIAN, LLC 865 NORTH ALBION ST. SUITE 400 DENVER, CO 80220
POGO PRODUCING CO	PO BOX 10340	MIDLAND	TX	79702	POGO PRODUCING CO PO BOX 10340 MIDLAND, TX 79702
SONAT EXPLORATION COMPANY	PO BOX 1513	HOUSTON	TX	77251	SONAT EXPLORATION COMPANY PO BOX 1513 HOUSTON, TX 77251
HARVARD PETROLEUM COMPANY, LLC	PO BOX 936 200 E SECOND	ROSWELL	NM	88202	HARVARD PETROLEUM COMPANY, LLC PO BOX 936 200 E SECOND ROSWELL, NM 88202
<b>Affected Persons</b>					
AGS Resources 2004 LLLP	10 Inverness Dr. East	Englewood	CO	80112	AGS Resources 2004 LLLP 10 Inverness Dr. East Englewood, CO 80112
Camterra Res Ptnrs	2615 E. End Blvd S	Marshall	TX	75670	Camterra Res Ptnrs 2615 E. End Blvd S Marshall, TX 75670
Chevron USA Inc.	P O Box 730436	Dallas	TX	75373-0436	Chevron USA Inc. P O Box 730436 Dallas, TX 75373-0436
CNX Gas Co LLC	P.O. Box 1248	Jane Lew	WV	26378	CNX Gas Co LLC P.O. Box 1248 Jane Lew, WV 26378
Devon Energy Production Company LP	333 W. Sheridan Ave	Oklahoma City	OK	73102	Devon Energy Production Company LP 333 W. Sheridan Ave Oklahoma City, OK 73102
Devon Energy Production, LP	333 W. Sheridan Avenue	Oklahoma City	OK	73102	Devon Energy Production, LP 333 W. Sheridan Avenue Oklahoma City, OK 73102
EOG Resources Inc.	P.O. Box 2267	Midland	TX	79702	EOG Resources Inc. P.O. Box 2267 Midland, TX 79702
EOG Resources Inc.	P.O. Box 840321	Dallas	TX	75284	EOG Resources Inc. P.O. Box 840321 Dallas, TX 75284

Finley Production Co LP	P.O. Box 2200	Fort Worth	TX	76113	Finley Production Co LP P.O. Box 2200 Fort Worth, TX 76113
Grasslands Energy LP	5128 Apache Plume Rd.	Fort Worth	TX	76109	Grasslands Energy LP 5128 Apache Plume Rd. Fort Worth, TX 76109
Harken Exploration Co	P.O. Box 619024	Dallas	TX	75261	Harken Exploration Co P.O. Box 619024 Dallas, TX 75261
Kaiser-Francis Oil Co.	P.O. Box 21468	Tulsa	OK	74121	Kaiser-Francis Oil Co. P.O. Box 21468 Tulsa, OK 74121
Marbob Energy Corp	P.O. Box 227	Artesia	NM	88211	Marbob Energy Corp P.O. Box 227 Artesia, NM 88211
Merit Energy Partners	13727 Noel Rd, Ste 500	Dallas	TX	75240	Merit Energy Partners 13727 Noel Rd, Ste 500 Dallas, TX 75240
Mid-Continent Energy	100 W. 5th St, Ste 450	Tulsa	OK	74103	Mid-Continent Energy 100 W. 5th St, Ste 450 Tulsa, OK 74103
Orion OG Properties	P.O. Box 2523	Roswell	NM	88202	Orion OG Properties P.O. Box 2523 Roswell, NM 88202
Petrohawk Properties LP	1100 Louisiana Ste 4400	Houston	TX	77002	Petrohawk Properties LP 1100 Louisiana Ste 4400 Houston, TX 77002
Petrojarl Inc.	P.O. BOX 820467	Houston	TX	77282	Petrojarl Inc. P.O. BOX 820467 Houston, TX 77282
Plains Production Inc.	1313 Campbell Rd., BLDG D	Houston	TX	77055	Plains Production Inc. 1313 Campbell Rd., BLDG D Houston, TX 77055
PXP Producing Co LLC	717 Texas St., Ste 2100	Houston	TX	77002	PXP Producing Co LLC 717 Texas St., Ste 2100 Houston, TX 77002
Richard S. Briggs	17 Meadowbrook Ln	Trophy Club	TX	76262	Richard S. Briggs 17 Meadowbrook Ln Trophy Club, TX 76262
Richard Scott Briggs	1920 E. Riverside Dr. STE A-120 #505	Austin	TX	78741	Richard Scott Briggs 1920 E. Riverside Dr. STE A-120 #505 Austin, TX 78741
Riverbend Production LP	500 Dallas St., Suite 2835	Houston	,TX	77002	Riverbend Production LP 500 Dallas St., Suite 2835 Houston,, TX 77002
Siete Oil & Gas Corp	P.O. Box 2523	Roswell	NM	88202	Siete Oil & Gas Corp P.O. Box 2523 Roswell, NM 88202
Suzanne Thomas	3936 Byron St	Houston	TX	77005	Suzanne Thomas 3936 Byron St Houston, TX 77005
Titus Oil & Gas Corp	420 Throckmorton St, Ste 1150	Fort Worth	TX	76102	Titus Oil & Gas Corp 420 Throckmorton St, Ste 1150 Fort Worth, TX 76102
XTO Holdings, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389	XTO Holdings, LLC 22777 Springwoods Village Pkwy Spring, TX 77389
State Land Office	P O BOX 1148	SANTA FE	NM	87504	State Land Office P O BOX 1148 SANTA FE, NM 87504
PENROC OIL CORP	P.O. Box 2769	Hobbs	NM	88241	PENROC OIL CORP P.O. Box 2769 Hobbs, NM 88241

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY USA INC. FOR A  
CLOSED LOOP GAS CAPTURE INJECTION  
PILOT PROJECT, EDDY COUNTY, NEW  
MEXICO.**

**CASE NO. 22151**

**AFFIDAVIT OF STEPHEN JANACEK**

I, Stephen Janacek, of lawful age and being first duly sworn, declare as follows:

1. My name is Stephen Janacek and I am employed by OXY USA Inc. (“OXY”) as a petroleum engineer.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum engineering.

3. I am familiar with the application filed by OXY in this case, and the Division guidance and requirements regarding closed loop gas capture injection projects (CLGC Project) such as this one. I also prepared exhibits in support of this application from pages 3 through 75 and 96-99 in *Exhibit A* attached to OXY’s application.

4. In this case, OXY seeks an order approving the 800-acre, more or less, project area for this pilot project consisting of the W/2 W/2 of Sections 21, 28 and 35, and the E/2 of Section 35, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. See *Exhibit A* to the Application, at 7-8. The proposed project area is part of a larger area referred to as the Sand Dunes area. A locator map identifying the general location of OXY’s proposed North Corridor CLGC Project is included in *Exhibit A* at page 6. The Iridium Area and the Cal Mon Area are in the North Corridor area. Wells in the Patton area are the subject of a separate application.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: OXY USA INC.  
Hearing Date: September 09, 2021  
Case No. 22151**

5. OXY requests an initial project duration of two years. OXY also requests the ability to administratively extend the project without the need for a hearing.

6. Within the proposed project area, OXY seeks authority to utilize the following producing wells to occasionally inject produced gas into the Bone Spring formation, as identified on the project locator map, included at page 6 of Exhibit A:

- The **Cal-Mon MDP1 “35” Federal #1H well** (API No. 30-015-44771) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 277 feet FNL and 1077 feet FWL (Unit D) in Section 35, and a bottom hole location 202 feet FSL and 464 feet FWL (Unit M) in Section 35.
- The **Cal-Mon MDP1 “35” Federal #2H well** (API No. 30-015-44772) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 277 feet FNL and 1112 feet FWL (Unit D) in Section 35, and a bottom hole location 187 feet FSL and 1248 feet FWL (Unit M) in Section 35.
- The **Cal-Mon “35” Federal #41H well** (API No. 30-015-43140) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 250 feet FNL and 710 feet FWL (Unit D) in Section 35, and a bottom hole location 193 feet FSL and 951 feet FWL (Unit M) in Section 35.
- The **Iridium MDP1 “28-21” Federal Com #21H well** (API No. 30-015-45074) [Ingle Wells; Bone Spring Pool (Pool Code 33740)], with a surface location 610 feet FSL and 648 feet FWL (Unit M) in Section 28, and a bottom hole location 24 feet FNL and 303 feet FWL (Unit D) in Section 21.
- The **Cal-Mon “35” Federal #175H well** (API No. 30-015-45524) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 110 feet

FNL and 615 feet FEL (Unit A) in Section 35, and a bottom hole location 17 feet FSL and 824 feet FEL (Unit P) in Section 35.

- The **Cal-Mon MDP1 “35” Federal #4H well** (API No. 30-015-44774) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 120 feet FNL and 2624 feet FWL (Unit C) in Section 35, and a bottom hole location 191 feet FSL and 2180 feet FEL (Unit O) in Section 35.
- The **Cal-Mon MDP1 “35” Federal #5H well** (API No. 30-015-44775) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 110 feet FNL and 890 feet FEL (Unit A) in Section 35, and a bottom hole location 200 feet FSL and 1068 feet FEL (Unit P) in Section 35.

7. Injection along the horizontal portion of the wellbores will be at the following approximate true vertical depths:

- The **Cal-Mon MDP1 “35” Federal #1H well**: between 10,028 feet and 10,098 feet.
- The **Cal-Mon MDP1 “35” Federal #2H well**: between 9,940 feet and 10,101 feet.
- The **Cal-Mon “35” Federal #41H well**: between 10,295 feet and 10,385 feet.
- The **Iridium MDP1 “28-21” Federal Com #21H well**: between 8,664 feet and 8,688 feet.
- The **Cal-Mon “35” Federal #175H well**: between 10,549 feet and 10,973 feet.
- The **Cal-Mon MDP1 “35” Federal #4H well**: between 10,226 feet and 10,368 feet.
- The **Cal-Mon MDP1 “35” Federal #5H well**: between 10,012 feet and 10,147 feet.

8. OXY seeks authority to add CLGC wells to the proposed project by administrative approval if the well is within the Area of Review previously completed.

9. A summary overview of the pilot project is located at pages 3-5 of *Exhibit A*.

10. A process flow diagram of the closed loop gas capture system is in the Attached *Exhibit A* at page 9. This diagram reflects the current and proposed system to be used for gas storage. OXY will utilize the existing gas lift infrastructure so no changes are shown. During normal operations, produced fluids flow from the wells down the green flowline to the Central Tank Batteries (CTBs). The source wells, which consist of all wells connected to the CTBs, produce from the Bone Spring and Wolfcamp formations. Oil, water, and gas are separated out and leave the CTBs. Oil is sold through the Lease Automatic Custody Transfer (LACT) at each CTB, water is sent to a disposal well, and gas enters the red Low Pressure Gas Pipeline. Gas can then be sold to the Enterprise Gas Takeaway, flared, or delivered to the Centralized Gas Lift (CGL) Stations for compression and re-injection as gas lift gas. After the gas goes through the CGL Stations, the pressure increases to a maximum of 1250 psig in the orange Centralized Gas Lift (CGL) Pipeline. Then it flows back to the wells with gas lift systems. The flow of fluids is similar yet different during a gas storage event. A gas storage event is initiated when gas cannot be sold to Enterprise and the source wells are not shut-in. The major changes are to the Enterprise Gas Takeaway (which ceases taking gas) and the CLGC wells (which cease producing and become CLGC wells). Since gas cannot be sold, it will begin to build up in the Low-Pressure Gas Pipeline as wells continue to produce oil, water, and gas. Once the pressure in the Low-Pressure Gas Pipeline increases to a certain point, the CLGC wells will be activated in a cascade fashion. CLGC wells are activated by closing the Shutdown Valve (SDV) at the wellhead. If the pressure in the Low-Pressure Gas Pipeline does not decrease, an additional CLGC well will be

activated. Additional CLGC wells will be activated in this cascade system. When the interruption ends and gas can once again be sold to Enterprise, the gas storage event ends. The Shutdown Valves open and the CLGC wells produce down the flowline to a test separator at the CTB for measurement.

11. A map depicting the pipeline that ties the CLGC wells for the pilot project into the gathering system and the affected compressor stations is included in the attached *Exhibit A* at page 7-8. The colors and components of the system are the same as the process flow diagram in the attached *Exhibit A* at page 9 with some additional items. The black lines represent the wellbore trajectories of the CLGC wells. The First Take Point (FTP) and Last Take Point (LTP) are labeled on the well trajectory. The project area is outlined with a dashed, dark-blue line, which is based on each CLGC well's horizontal spacing unit as shown on the attached *Exhibit A* at pages 11-17. Gas source wells are not on this map.

12. Data for each CLGC well, including well diagrams and well construction, casing, tubing, packers, cement, perforations, and other details for each proposed injection well are included in the attached *Exhibit A* at pages 18-31. All wells have gas lift systems which inject down the casing and produce up the tubing with a packer in the hole.

13. OXY proposes to place packers as deep as possible but no higher than 100 feet above the top of the Bone Spring formation.

14. Cement bond logs for each of the CLGC wells demonstrate the placement of cement in the CLGC wells for this pilot project, and that there is a good and sufficient cement bond with the production casing and the tie-in of the production casing with the next prior casing in each well.

15. The current average surface pressures under normal operations for the CLGC wells range from approximately 560 psi to 860 psi. See *Exhibit A* at 32. The maximum allowable surface pressure (MASP) for the wells in the pilot project will be 1,250 psi. *Id.*

16. Assuming a full fluid column of reservoir brine water, the proposed maximum allowable surface pressure will not exert pressure at the top perforation in the wellbore of any injection well with a full fluid column of reservoir brine water in excess of 90% of the burst pressure for the production casing or production liner. See *Exhibit A* at 32. In addition, the proposed maximum allowable surface pressure will not exceed 0.14 psi per foot as measured at the top of the uppermost perforation in any injection well and will not exert pressure at the topmost perforation in excess of 90% of the formation parting pressure. See *Exhibit A* at 32.

17. OXY plans to monitor injection and operational parameters for the pilot project using an automated supervisory control and data acquisition (SCADA) system with pre-set alarms and automatic shut-in safety valves that will prevent injection pressures from exceeding the MASP. See *Exhibit A* at 49-50. The wellhead diagram for all CLGC wells is found in *Exhibit A* at 33. Injection starts at the flowmeter where the injection rate is measured and moves through the following components: first, the injection flow control valve which controls the injection pressure, the casing safety shutdown valve (SSV), which can open and close automatically, the casing-tubing annulus, the tubing, the tubing SSV, which can open and close automatically and is also closed when a CLGC well is activated, and finally another flow control valve (FCV), which controls flowline pressure. Pressure Indicating Transmitters (PITs) are located on the casing valve and tubing valves. PITs capture pressure data that is stored in the SCADA system and then used to automatically control the SSVs and FCVs.

18. The proposed average injection rate for each CLGC well is 1.8 MMSCFD. All wells will have a maximum injection rate of 2.0 MMSCFD during injection except for the Iridium 28-21 21H, which will have a maximum injection rate of 3.0 MMSCFPD due to its longer lateral length. See *Exhibit A* at 32.

19. The wells proposed for the CLGC project have previously demonstrated mechanical integrity. See *Exhibit A* at 34. OXY will undertake new tests to demonstrate mechanical integrity for each of the wells proposed for this pilot project as a condition of approval prior to commencing injection operations.

20. The source of gas for injection will be from OXY's wells producing in the Bone Spring and Wolfcamp formations that are identified in the list of wells in *Exhibit A* at page 36-38. Each of OXY's CLGC wells are operated by OXY and OXY holds 100% of the working interest in the wells.

21. OXY has prepared an analysis of the composition of the source gas for injection and a corrosion prevention plan. See *Exhibit A* at 39-47. *Exhibit A* at 39 is a summary of the gas analyses included in the application and the components in the system. Source wells flow to multiple CTBs. From there gas flows to CGL Stations. Gas analyses have been provided for the CGL Stations and the formation for gas injection. The gas analyses for the CGL Stations are similar to the gas analyses for the zones for gas injection. H<sub>2</sub>S is not found in any of the gas analyses. CO<sub>2</sub> is found in all the analyses at various amounts.

22. Since CO<sub>2</sub> is already present in this system, OXY intends to continue with its existing Corrosion Prevention Plan in these CLGC wells outlined at page 47 of *Exhibit A*. In the existing Corrosion Prevention Plan, produced gas is processed through a gas dehydration unit to remove water. Then corrosion inhibitor is added to the system of each well downstream of the

gas dehydration unit. Fluid samples are taken regularly and checked for iron, manganese, and residual corrosion inhibitor in the produced fluids. The process allows OXY to continuously monitor and adjust the chemical treatment over the life of the well to minimize corrosion. Additionally, fluid samples will be taken prior to gas injection to establish a baseline for analysis. After a CLGC event, fluid samples will be taken to check for iron, manganese, and residual corrosion inhibitor in the produced fluids in the CLGC wells. OXY will continue to monitor and adjust the chemical treatment over the life of the project.

23. Using an automated supervisory control and data acquisition (SCADA) system, OXY will monitor a multitude of rates and pressures to allow for efficient and safe operation, proper allocation and reporting of volumes, and immediate response to unexpected events. *See Exhibit A* at 49-50. Each CLGC well will also include automated safety devices, including automatic shut-in valves among other operational safety measures. OXY will also monitor and track various operational parameters at the pilot project's central tank battery and central gas lift compressor. *See Exhibit A* at 49-50.

24. OXY proposes a Data Collection Plan for the North Corridor CLGC Project as seen in its Data Collection Plan, attached as **Exhibit B-1**, to collect and report data pertinent to CLGC operations. The plan is similar to the data collection process outlined in the Injection Order R-21747 but proposes some changes. Consistent with Order R-21747, the Data Collection Plan will apply to the wells listed in the table in the Exhibit. The spatial relationship of these wells is illustrated in the Gun Barrel View that I have attached to this affidavit as **Exhibit B-2**. This diagram shows the proposed North Corridor CLGC wells (blue circles) and any offset wells in the same correlative zone (yellow circles). There is one proposed CLGC well in the Avalon, 5 in the Second Bone Spring, and one in the Harkey. In the OXY Data Collection Plan for North

Corridor, there are some changes to the reporting requirements. First, to lessen the administrative burden of these requirements, OXY proposes status updates every 12 months instead of every 3 months. Second, the recovery analysis required for each involved CLGC well and for each well related to each involved CLGC well will be required only if the change in production casing pressure or production volume is related to the CLGC event. These wells are on gas lift most of the time, and changes in casing pressure or production volumes are not unusual for artificially lifted wells. Third, because the CLGC wells and the involved CLGC wells are being produced pursuant to an approved commingling permit, OXY will attempt to collect the data at the requested resolution, but we need the flexibility to substitute well tests when equipment constraints prevent such high resolution. Fourth, some allowance needs to be incorporated into the requirements for interruptions that occur with less than 24 hours' notice. Lastly, OXY shall not be required to install additional facilities or measurement equipment to collect the data described. These changes create an achievable Data Collection Plan for the North Corridor. If a data collection plan is required as outlined in the Injection Order R-21747, additional well testing equipment will be required which will severely impact OXY's ability to pursue this project due to the additional capital costs.

25. I also conducted an analysis of the half-mile area of review and two-mile area surrounding each of the proposed CLGC wells. A map depicting wells and their trajectories within a two-mile radius around the injection wells is located at page 53-54 of *Exhibit A*. A map identifying each surface tract by ownership type within the half-mile area of review and two-mile area surrounding each of the proposed injection wells is located at page 52 of *Exhibit A*. Finally, a map depicting all wells identified with completed laterals all or partially within the half-mile area of review is located at page 55-56 of *Exhibit A*. It assigns a well identification number to each

well within the area of review that may be cross referenced in the following well data tabulation chart on pages 57-60 of **Exhibit A**. The well data tabulation chart provides detailed information for identification, location, drilling, casing, cement, current completion, and current producing pool of each well. Additionally, I have prepared a map of the half-mile area of review reflecting each of the injection well trajectories, which is attached as **Exhibit B-3**.

26. Wellbore schematics for the nine wells that penetrate the top of the proposed injection interval and have been plugged and abandoned are included at pages 61-69 in **Exhibit A**. Review of the wellbore diagrams indicate adequate casing, cement, and cement plug placement to sufficiently contain gas within the injection interval.

27. To properly determine gas production from each CLGC well, OXY will apply a GOR Gas Allocation Method. See Gas Allocation, attached as **Exhibit B-4**. Per existing commingling permits,<sup>1</sup> gas sales are allocated by well test. For a period of time after a storage event, the GOR Gas Allocation Method will be used to differentiate between native gas (owned by the owners of the CLGC well) and recovery of previously stored gas (owned by the owners of the source wells). I believe it is a fair and reasonable method for allocating gas production after a storage event.

28. The Gas Allocation Plan will utilize the Tapered Testing Methodology as outlined in **Exhibit B-5**. The Tapered Testing Methodology is designed based on the Division's current approach to well testing requirements for surface commingling permits that utilize allocation by well testing. OXY believes that such well testing requirements can be accomplished with existing equipment and connections and allow us to accurately measure and interpolate well tests for allocation and reporting purposes.

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<sup>1</sup> PLC-749.

29. Working with OXY's in-house land department, I also prepared a list of affected parties required to receive notice of this application. The maps on pages 92-94 of **Exhibit A** reflect that the Bureau of Land Management and Oxy are the surface owners with respect to the proposed CLGC wells. The map depicts the area of review and identifies the designated operator for each tract that falls within the half-mile area of review for each of the wells within the Bone Spring formation.

30. Pages 95-96 of **Exhibit A** identify all leasehold operators and other affected persons within any tract wholly or partially contained within one-half mile of the completed interval of the wellbore for each of the proposed injection wells entitled to notice in accordance with Division regulations, including the Bureau of Land Management as the surface owner for some of the CLGC wells.

31. Parties entitled to notice were identified based on a determination of the title of lands and interests as recorded in the records of Eddy County or from a review of New Mexico Oil Conservation Division and Bureau of Land Management operator records as of the time the application was filed or from OXY's internal records (division orders).

32. It is my opinion that OXY undertook a good faith effort to locate and identify the correct parties and valid addresses required for notice within the half-mile area of review. To the best of my knowledge the addresses used for notice purposes are valid and correct. There were no unlocatable parties for whom we were unable to locate a valid address.

33. I provided the law firm of Holland & Hart LLP a list of names and addresses of the affected parties identified on pages 95-96 for purposes of providing notice.

34. As reflected on **Exhibit B-6**, notice of this application was provided in accordance with 19.15.26.8(B)(2) NMAC. Notice was also published in the Hobbs Daily News.

35. Pages 3 through 75 and 96-99 in **Exhibit A** and **OXY Exhibits B-1** through **B-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

FURTHER AFFIANT SAYETH NOT.

Stephen Janacek  
Stephen Janacek

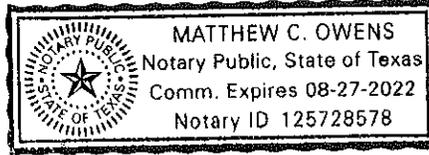
STATE OF TEXAS )  
COUNTY OF Collin )

SUBSCRIBED and SWORN to before me this 7 day of September, 2021 by  
STEPHEN JANACEK.

Matthew C. Owens  
NOTARY PUBLIC

My Commission Expires:

08-27-2022



## Data Collection Plan for North Corridor CLGC Project

CLGC Well Name	Completion Reservoir	Involved Well (West Side)	Involved Well (East Side)
Iridium 21H	Avalon	None	None
Calmon 1H	Second Bone Spring	Platinum 6H	None
Calmon 41H	Second Bone Spring	None	None
Calmon 2H	Second Bone Spring	None	Calmon 3H
Calmon 4H	Second Bone Spring	Calmon 3H	None
Calmon 5H	Second Bone Spring	None	Calmon 6H
Calmon 175H	Harkey	None	None

A Gunbarrel View is attached showing the relationship of CLGC wells and Offset wells in North Corridor.

Applicant shall provide to the OCD Engineering Bureau at [ocd.engineer@state.nm.us](mailto:ocd.engineer@state.nm.us), project status updates every twelve (12) months after the approval of this Order and a summary report no later than three (3) months after the cessation of the pilot project or upon request from OCD. Status updates shall include a summary of the actions taken and problems and solutions identified and implemented. The summary report(s) shall include:

- a. a summary of all project-related activity;
- b. a review regarding any problems and solutions identified and implemented;
- c. for each period of injection, a summary of the results, including for each CLGC Well in which injection occurred ("involved CLGC Well"):
  - i. average and maximum injection flow rates;
  - ii. injection duration; and
  - iii. total injected volume.
- d. for each period of injection, the following data graphed and tabulated with a resolution of at least: one (1) data point per hour beginning twenty-four (24) hours before the injection (provided adequate notice is received beforehand), four (4) data points per hour during the injection, and one (1) data point per hour ending twenty-four (24) hours after the injection:
  - i. for each involved CLGC Well, the oil and gas production and injection flow rates and annulus pressure of all casing strings; and
  - ii. for each well related to each involved CLGC Well, the oil and gas production and injection flow rates and production casing pressure.
  - iii. for situations where equipment constraints do not allow for data collection at the resolution specified above or injection periods lasting more than twenty-four (24) hours, periodic well tests may be substituted, provided such well tests are conducted by

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separating and metering the oil and gas production from each well for a minimum of six (6) hours.

e. for each period of injection, a recovery profile for each involved CLGC Well and for each well related to each involved CLGC Well which experienced a change in production casing pressure or production volume related to the injection during or immediately following the injection. The volume of recovered gas shall be determined by taking the difference between the gas production following the injection and baseline production. The baseline production shall be determined by using well tests to create a production curve that estimates what the production would have been had injection not occurred. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests conducted prior to the start of injection and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production. The recovery profile shall include:

- i. a summary of the results, including the volume and percent of total production recovered and the duration of time required to achieve that recovery; and
- ii. a tabulation of daily oil and gas production and baseline production totals; beginning a week before the injection and ending when either the gas production is near equal to its baseline production or Applicant conducts another period of injection on an involved CLGC Well.

f. If any of the CLGC wells or the involved CLGC wells are being produced pursuant to an approved commingling permit, applicant shall not be required to install additional facilities or measurement equipment to collect the data described above in subparagraphs (d) or (e) above.

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 Santa Fe, New Mexico  
 Exhibit No. B2  
 Submitted by: OXY USA INC.  
 Hearing Date: September 09, 2021  
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# North Corridor GBV

Target TVD

Target TVD

Target TVD	SHL in Sect 28		SHL in Sect 34	SHL in Section 35				Target TVD			
8785'	Iridium 21H  303' FWL	Avalon									
		2BS	PLAT 6H  393' FEL	CALMON 1H  464' FWL	CALMON 41H  951' FWL	CALMON 2H  1248' FWL	CALMON 3H  2181' FWL	CALMON 4H  2180' FEL	CALMON 5H  1068' FEL	CALMON 6H  465' FEL	10,090'
		Harkey						CALMON 175H  824' FEL		10,900'	

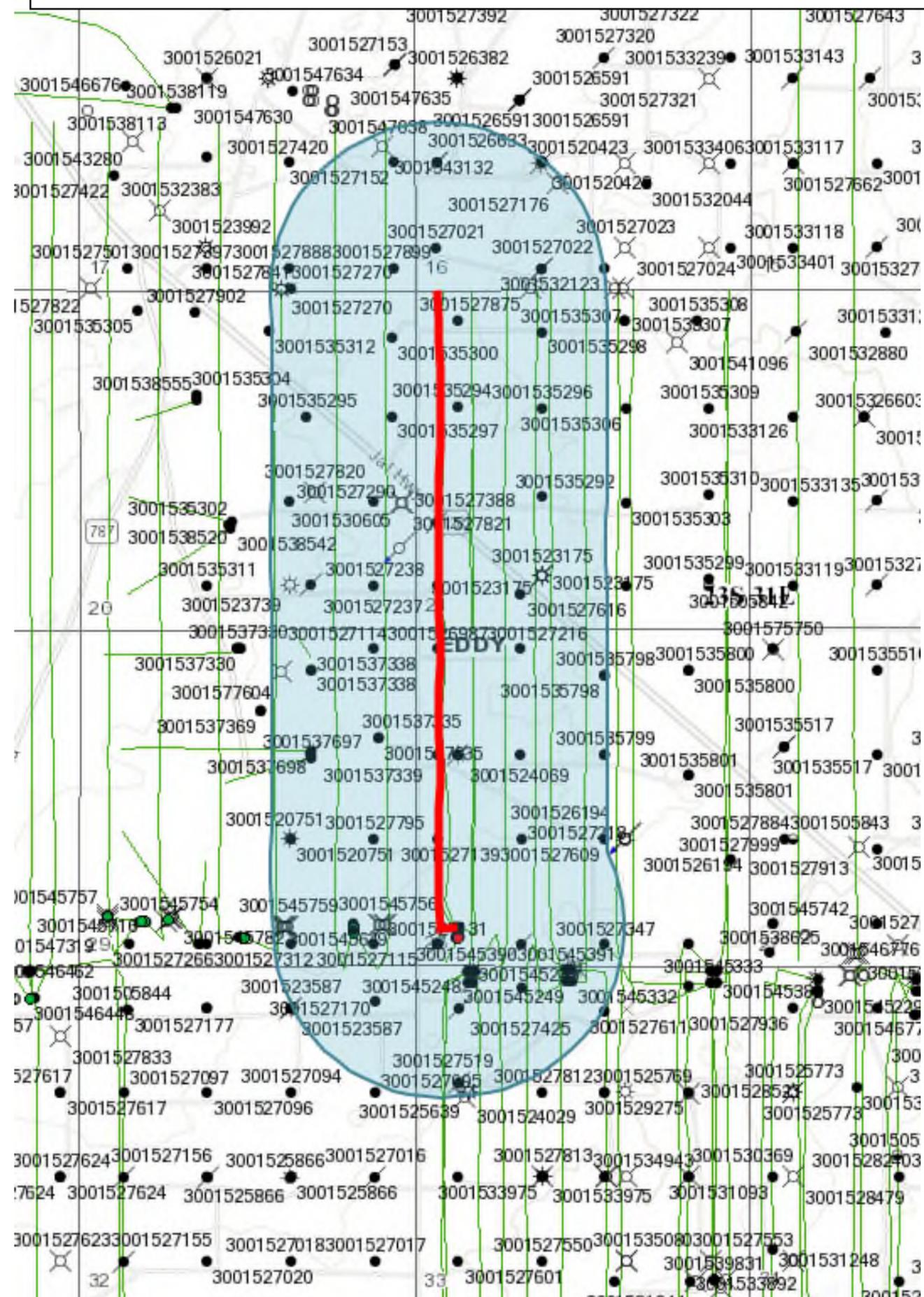
**Key**

-  CLGC Well
-  Offset well

Note-not to scale. Location info based on BHL. Iridium Northwest of Platinum.  
 No nearby Avalon offsets for Iridium. No nearby Harkey offsets.



# Iridium 1/2 Mile AOR with Trajectories



**Key**

- CLGC Well Trajectory
- 1/2 mile Area of Review

**Wells (IHS)**

- LOC
- ⊛ GAS
- × ABANDONED-NO SHOWS
- ⊗ ABANDONED LOC
- ⊛ GAS SHOWS
- OIL SHOWS
- ⊛ O&G SHOWS
- OIL
- ⊛ O&G
- OTHER
- ⊛ INJ-NO SHOWS
- ⊛ SUS
- ⊛ AGW
- ⊛ AOW
- ⊛ AO&GW
- <Null>

## GOR Gas Allocation Plan for CLGC Wells

### Application

The following methodology will apply to CLGC wells on a well by well basis. The application will start after a CLGC storage event and will end after 100% of the Storage Gas Injection Inventory is recovered. Afterwards, Gas Allocation will revert to previous accounting procedures.

### Overview

During a CLGC storage event, a portion of the combined gas streams from source wells will be stored in a CLGC well. After a storage event, the wellhead gas produced from a CLGC well will consist of three components: Gas Lift Gas, Native Gas, and Storage Gas Production. Both Native Gas and Storage Gas Production are produced from the reservoir, and the combined production is Reservoir Gas.

$$\text{Wellhead Gas Produced} = \text{Gas Lift Gas} + \text{Native Gas} + \text{Storage Gas Production}$$

Gas Lift Gas is measured continuously for each well. This methodology applies a Gas-Oil-Ratio (GOR) Calculation to determine the Native Gas (owned by the owners of the CLGC well) and Storage Gas Production (owned by the owners of the source wells).

A Well Test Allocation Method will be utilized after a storage event. In the example below, the well tests values are highlighted. The values between are interpolated.

### Example

The following data is a simulated, 1-Day storage event.

- 2000 mscf is injected over 24 consecutive hours.
- The well is produced back immediately following a storage event.
- The data has been truncated at 24 days because it is included for illustration purposes.

The input and calculated values for an example well are listed below:

Values	Description
Wellhead Gas Produced, mscf/d	Wellhead gas, measured with well test
Gas Lift Gas, mscf/d	Gas Lift Gas injection, measured with flow meter
Reservoir Gas, mscf/d	Reservoir Gas, the difference between Wellhead Gas and Gas Lift Gas, calculated
Oil, bbl/d	Oil production, measured with well test
Water, bbl/d	Water production, measured with well test
GOR, scf/bbl	Gas Oil Ratio (GOR), engineer calculation based on previous oil and gas well tests before a storage event
Native Gas- GOR Calc, mscf/d	Minimum of Reservoir Gas or Native Gas Production using GOR, calculated
Storage Gas Injection, mscf/d	Storage Gas Injection, measured with flow meter

Storage Gas Injection Inventory, mscf	Storage Gas Injection Inventory, cumulative amount of storage gas injection minus storage gas production, calculated
Storage Gas Production, mscfd	Storage Gas Production, difference between Reservoir Gas and Calculated Native Gas Production, calculated

Column	1	2	3	4	5	6	7	8	9	10
Calculation or measurement	Well Test	Flow Meter	1-2	Well Test	Well Test	Engineer Analysis	MIN (3,4*6/1000)	Flow Meter	8-10 + 9_PreviousRow	IF(9>0, 3-7,0)
Day	Wellhead Gas Produced, mscf/d	Gas Lift Gas, mscf/d	Reservoir Gas, mscf/d	Oil, bbl/d	Water, bbl/d	GOR, scf/bbl	Native Gas-GOR Calc, mscf/d	Storage Gas Injection, mscf/d	Storage Gas Injection Inventory, mscf	Storage Gas Production, mscfd
-90	626	500	126	63	103	2,005	126	0	0	0
-60	625	500	125	62	101	2,032	125	0	0	0
-30	624	500	124	60	99	2,053	124	0	0	0
1	623	500	123	59	96	2,081	123	0	0	0
2	0	0	0	0	0	2,050	0	2000	2000	0
3	850	500	350	45	80	2,050	92	0	1743	257
4	741	500	241	50	86	2,050	102	0	1604	139
5	713	500	213	52	88	2,050	107	0	1498	106
6	685	500	185	54	91	2,050	111	0	1424	73
7	675	500	175	55	92	2,050	113	0	1362	62
8	665	500	165	56	93	2,050	115	0	1313	50
9	661	500	161	57	93	2,050	116	0	1267	45
10	657	500	157	57	94	2,050	117	0	1227	40
11	653	500	153	57	94	2,050	117	0	1192	35
12	649	500	149	58	95	2,050	118	0	1161	31
13	647	500	147	58	95	2,050	118	0	1133	28
14	645	500	145	58	95	2,050	119	0	1106	26
15	643	500	143	58	95	2,050	119	0	1082	24
16	641	500	141	58	95	2,050	119	0	1060	22
17	640	500	140	58	95	2,050	119	0	1038	21
18	639	500	139	58	94	2,050	119	0	1018	20
19	639	500	139	58	94	2,050	119	0	998	20
20	638	500	138	58	94	2,050	119	0	980	19
21	637	500	137	58	93	2,050	119	0	962	18
22	636	500	136	58	93	2,050	119	0	945	17
23	635	500	135	58	93	2,050	119	0	930	16
24	634	500	134	58	92	2,050	119	0	915	15

## Well Test Allocation Method

Following an injection period, the allocation of oil and gas production shall be based on the production life of each CLGC well as measured for three periods: (a) the initial production period shall be measured from the end of the injection period until the peak gas production rate is reached; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well has recovered the previously-injected volume.

During the initial production period, the oil and gas production for each CLGC well shall be allocated using daily well tests or separated and metered individually prior to commingling.

During the plateau period, the oil and gas production for each CLGC well shall be allocated using a production curve calculated from a minimum of three (3) well tests per month. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the decline period, the oil and gas production for each CLGC well shall be allocated using a production curve calculated from a minimum well testing frequency as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than 22% per month; (b) a minimum of two (2) well tests per month when the decline rate is between 22% and 10% per month; and (c) a minimum of one (1) well test per month when the decline rate is less than 10% per month. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

Applicant shall conduct a well test by separating and metering the oil and gas production from each well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. B5**  
**Submitted by: OXY USA INC.**  
**Hearing Date: September 09, 2021**  
**Case No. 22151**





**Adam G. Rankin**  
Phone (505) 988-4421  
[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)

August 20, 2021

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of OXY USA Inc. for Closed Loop Gas Capture Injection Pilot Project, Eddy County, New Mexico.**  
**Cal-Mon MDP1 “35” Federal 1H, 2H, 4H, 5H, 41H, 175H well, Irdium MDP1 “28-21” Federal Com #21H well**

Ladies & Gentlemen:

This letter is to advise you that OXY USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on September 9, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division’s Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Stephen Janacek, at (713) 497-2417, or [Stephen\\_Janacek@OXY.com](mailto:Stephen_Janacek@OXY.com).

Sincerely,

A handwritten signature in blue ink, appearing to read 'A.G. Rankin'.

Adam G. Rankin  
**ATTORNEY FOR OXY USA INC.**

Oxy - Closed Loop Gas Capture Sand Dunes Iridium-Calmon  
Case no. 22151 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9402811898765800082033	Sonat Exploration Company	PO Box 1513	Houston	TX	77251-1513	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9402811898765800082088	Pogo Producing Co	PO Box 10340	Midland	TX	79702-7340	The return on your item was processed on August 27, 2021 at 4:41 pm in MIDLAND, TX 79701.
9402811898765800082095	NGL Water Solutions Permian, LLC	865 Albion St Ste 400	Denver	CO	80220-4809	The U.S. Postal Service was electronically notified by the shipper on August 21, 2021 to expect your package for mailing. This does not indicate receipt by the USPS or the actual mailing date. Delivery status information will be provided if/when available.
9402811898765800082002	Kaiser-Francis Oil Co.	PO Box 21468	Tulsa	OK	74121-1468	Your item was picked up at a postal facility at 5:44 am on August 25, 2021 in TULSA, OK 74103.
9402811898765800082064	EOG Y Resources, INC.	104 S 4th St	Artesia	NM	88210-2123	Your item was delivered to the front desk, reception area, or mail room at 7:45 am on August 24, 2021 in ARTESIA, NM 88210.
9402811898765800082378	EOG Resources Inc.	PO Box 2267	Midland	TX	79702-2267	Your item was picked up at a postal facility at 7:50 am on August 26, 2021 in MIDLAND, TX 79702.
9402811898765800080817	Penroc Oil Corp	PO Box 2769	Hobbs	NM	88241-2769	Your item was delivered at 1:14 pm on August 24, 2021 in HOBBS, NM 88240.
9402811898765800080275	State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was delivered at 10:10 am on August 23, 2021 in SANTA FE, NM 87501.
9402811898765800080237	XTO Holdings, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.
9402811898765800080282	Titus Oil & Gas Corp	420 Throckmorton St Ste 1150	Fort Worth	TX	76102-3761	Your item was delivered to the front desk, reception area, or mail room at 2:51 pm on August 23, 2021 in FORT WORTH, TX 76102.
9402811898765800080244	Suzanne Thomas	3936 Byron St	Houston	TX	77005-3628	Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.
9402811898765800080299	Siete Oil & Gas Corp	PO Box 2523	Roswell	NM	88202-2523	Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.
9402811898765800080206	Riverbend Production LP	500 Dallas St Ste 2835	Houston	TX	77002-4721	Your item was delivered to the front desk, reception area, or mail room at 3:57 pm on August 23, 2021 in HOUSTON, TX 77002.
9402811898765800080220	Richard Scott Briggs	1920 E Riverside Dr Ste A-120 no 505	Austin	TX	78741-1350	Your item was delivered to the front desk, reception area, or mail room at 3:09 pm on August 25, 2021 in AUSTIN, TX 78741.
9402811898765800080268	Richard S. Briggs	17 Meadowbrook Ln	Trophy Club	TX	76262-5640	Your item was forwarded to a different address at 7:58 am on August 26, 2021 in ROANOKE, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9402811898765800080213	PXP Producing Co LLC	717 Texas St Ste 2100	Houston	TX	77002-2753	Your item departed our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on August 30, 2021 at 8:36 pm. The item is currently in transit to the destination.
9402811898765800082385	Devon Energy Production Company LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was delivered at 8:32 am on August 24, 2021 in OKLAHOMA CITY, OK 73102.
9402811898765800082576	Plains Production Inc.	1313 Campbell Rd Bldg D	Houston	TX	77055-6458	Your item was delivered to an individual at the address at 4:31 pm on August 23, 2021 in HOUSTON, TX 77055.
9402811898765800082538	Petrojarl Inc.	PO Box 820467	Houston	TX	77282-0467	Your item was delivered at 10:37 am on August 26, 2021 in HOUSTON, TX 77077.
9402811898765800082583	Petrohawk Properties LP	1100 Louisiana St Ste 4400	Houston	TX	77002-5224	Your item arrived at the SANTA FE, NM 87504 post office at 9:02 am on August 30, 2021 and is ready for pickup.
9402811898765800082545	Orion OG Properties	PO Box 2523	Roswell	NM	88202-2523	Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.
9402811898765800082590	Mid-Continent Energy	100 W 5th St Ste 450	Tulsa	OK	74103-4254	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9402811898765800082507	Merit Energy Partners	13727 Noel Rd Ste 500	Dallas	TX	75240-7312	Your item was delivered to an individual at the address at 2:54 pm on August 24, 2021 in DALLAS, TX 75240.
9402811898765800082521	Marbob Energy Corp	PO Box 227	Artesia	NM	88211-0227	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9402811898765800082569	Kaiser-Francis Oil Co.	PO Box 21468	Tulsa	OK	74121-1468	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Oxy - Closed Loop Gas Capture Sand Dunes Iridium-Calmon  
Case no. 22151 Postal Delivery Report

9402811898765800082552	Harken Exploration Co	PO Box 619024	Dallas	TX	75261-9024	Your item arrived at the SANTA FE, NM 87504 post office at 10:56 am on August 28, 2021 and is ready for pickup.
9402811898765800082514	Grasslands Energy LP	5128 Apache Plume Rd	Fort Worth	TX	76109-1580	Your item was delivered to an individual at the address at 11:36 am on August 23, 2021 in FORT WORTH, TX 76109.
9402811898765800082392	Chevron USA Inc.	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to the front desk, reception area, or mail room at 3:23 pm on August 24, 2021 in MIDLAND, TX 79706.
9402811898765800082477	Finley Production Co LP	PO Box 2200	Fort Worth	TX	76113-2200	Your item has been delivered and is available at a PO Box at 9:32 am on August 25, 2021 in FORT WORTH, TX 76102.
9402811898765800082439	EOG Resources Inc.	PO Box 840321	Dallas	TX	75284-0321	Your item was delivered at 7:55 pm on August 24, 2021 in DALLAS, TX 75266.
9402811898765800082484	EOG Resources Inc.	PO Box 2267	Midland	TX	79702-2267	Your item was picked up at a postal facility at 7:50 am on August 26, 2021 in MIDLAND, TX 79702.
9402811898765800082446	Devon Energy Production, LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was delivered at 9:35 am on August 23, 2021 in OKLAHOMA CITY, OK 73102.
9402811898765800082491	Devon Energy Production Company LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was delivered at 9:35 am on August 23, 2021 in OKLAHOMA CITY, OK 73102.
9402811898765800082422	CNX Gas Co LLC	PO Box 1248	Jane Lew	WV	26378-1248	Your item was returned to the sender on August 24, 2021 at 8:03 am in JANE LEW, WV 26378 because the address was vacant or the business was no longer operating at the location and no further information was available.
9402811898765800082460	Chevron USA Inc.	PO Box 730436	Dallas	TX	75373-0436	Your item was delivered at 3:16 am on August 26, 2021 in DALLAS, TX 75266.
9402811898765800082453	Camterra Res Ptnrs	2615 E End Blvd S	Marshall	TX	75672-7425	Your item was delivered to the front desk, reception area, or mail room at 10:21 am on August 24, 2021 in MARSHALL, TX 75672.
9402811898765800082415	AGS Resources 2004 LLLP	10 Inverness Dr E	Englewood	CO	80112-5610	Your item was delivered to an individual at the address at 3:09 pm on August 23, 2021 in ENGLEWOOD, CO 80112.
9402811898765800082071	Harvard Petroleum Company, LLC	PO Box 936 200 E Second	Roswell	NM	88202-0936	Your item was delivered at 12:57 pm on August 25, 2021 in ROSWELL, NM 88201.
9402811898765800082361	BLM	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to an individual at the address at 3:48 pm on August 23, 2021 in CARLSBAD, NM 88220.

# Carlsbad Current Argus.

## Affidavit of Publication

Ad # 0004880631

This is not an invoice

HOLLAND AND HART  
POBOX 2208

SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

08/24/2021

  
Legal Clerk

Subscribed and sworn before me this August 24, 2021:

  
State of WI, County of Brown  
NOTARY PUBLIC

1-7-25  
My commission expires

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

Ad # 0004880631  
PO #:  
# of Affidavits 1

This is not an invoice

STATE OF NEW MEXICO  
ENERGY, MINERALS AND  
NATURAL RESOURCES  
DEPARTMENT  
OIL CONSERVATION  
DIVISION  
SANTA FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, September 9, 2021, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **August 29, 2021**.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e379adae1410a8aecfd0fe5582b1917ea>  
Event number: 146 427 9260  
Event password:  
HxJBs523k3Y

Join by video: 1464279260@nmemnrd.webex.com  
Numeric Password: 857180  
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free  
Access code: 146 427 9260

**STATE OF NEW MEXICO TO:**

All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected parties, including: Bureau of Land Management; Chevron USA Inc.; Devon Energy Production Company LP; EOG Resources Inc.; EOG Y Resources, Inc.; Kaiser-Francis Oil Co.; NGL Water Solutions Permian, LLC; POGO Producing Co; Sonat Exploration Company; Harvard Petroleum Company, LLC; AGS Resources 2004 LLP; Camterra Res Ptnrs; CNX Gas Co LLC; Devon Energy Production, LP; Finley Production Co LP; Grasslands Energy LP; Harken Exploration Co; Marbob Energy Corp; Merit Energy Partners; Mid-Continent Energy; Orion OG Properties; Petrohawk Properties LP; Petrojarl Inc.; Plains Production Inc.; PXP Producing Co LLC; Richard S. Briggs, his heirs and devisees; Richard Scott Briggs, his heirs and devisees; Riverbend Production LP; Siete Oil & Gas Corp; Suzanne Thomas, her heirs and devisees; Titus Oil & Gas Corp; XTO Holdings, LLC; State Land Office; and Penroc Oil Corp.

Case No. 22151: Application of OXY USA Inc. for Closed Loop Gas Capture Injection Pilot Project, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order authorizing it to engage in a closed loop gas capture injection pilot project ("pilot project") in the Bone Spring formation, within a 800-acre, more or less, project area for this pilot project consisting of the W/2 W/2 of Sections 21, 28, and 35, and the E/2 of Section 35, Township 23 South, Range 31 East, NMPM, Eddy County, New

Mexico, by occasionally injecting into the following wells:

- **Cal-Mon MDP1 "35" Federal #1H well** (API No. 30-015-44771) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 277 feet FNL and 1077 feet FWL (Unit D) in Section 35, and a bottom hole location 202 feet FSL and 464 feet FWL (Unit M) in Section 35.
- **The Cal-Mon MDP1 "35" Federal #2H well** (API No. 30-015-44772) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 277 feet FNL and 1112 feet FWL (Unit D) in Section 35, and a bottom hole location 187 feet FSL and 1248 feet FWL (Unit M) in Section 35.
- **The Cal-Mon "35" Federal #41H well** (API No. 30-015-43140) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 250 feet FNL and 710 feet FWL (Unit D) in Section 35, and a bottom hole location 193 feet FSL and 951 feet FWL (Unit M) in Section 35.
- **The Irdium MDP1 "28-21" Federal Com #21H well** (API No. 30-015-45074) [Ingle Wells; Bone Spring Pool (Pool Code 33740)], with a surface location 610 feet FSL and 648 feet FWL (Unit M) in Section 28, and a bottom hole location 24 feet FNL and 303 feet FWL (Unit D) in Section 21.
- **The Cal-Mon "35" Federal #175H well** (API No. 30-015-45524) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 110 feet FNL and 615 feet FEL (Unit A) in Section 35, and a bottom hole location 17 feet FSL and 824 feet FEL (Unit P) in Section 35.
- **The Cal-Mon MDP1 "35" Federal #4H well** (API No. 30-015-44774) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 120 feet FNL and 2624 feet FWL (Unit C) in Section 35, and a bottom hole location 191 feet FSL and 2180 feet FEL (Unit O) in Section 35.
- **The Cal-Mon MDP1 "35" Federal #5H well** (API No. 30-015-44775) [Cotton Draw; Bone Spring Pool

(Pool Code 13367)], with a surface location 110 feet FNL and 890 feet FEL (Unit A) in Section 35, and a bottom hole location 200 feet FSL and 1068 feet FEL (Unit P) in Section 35.

OXY seeks authority to utilize these producing wells to occasionally inject produced gas into the Bone Spring formation at true vertical depths of between approximately 8,000 feet to 11,600 feet along the horizontal portion of each wellbore at surface injection pressures of no more than 1,250 psi. The source of the produced gas will be the Bone Spring and Wolfcamp formations. The subject acreage is located approximately 17 miles east of Loving, New Mexico. #4880631, Current Argus, August 24, 2021

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

APPLICATION OF OXY USA INC. FOR A  
CLOSED LOOP GAS CAPTURE INJECTION  
PILOT PROJECT, EDDY COUNTY, NEW  
MEXICO.

CASE NO. 22151

AFFIDAVIT OF TONY TROUTMAN

I, Tony Troutman, of lawful age and being first duly sworn, declare as follows:

1. My name is Tony Troutman. I work for OXY USA, Inc. (“OXY”), as a petroleum geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.

3. I am familiar with the application filed by OXY in this case for approval of a closed loop gas capture injection pilot project in the Bone Spring formation, and I have conducted a geologic study of the lands in the subject area that is included in *Exhibit A* to OXY’s application. My analysis and conclusions are summarized at pages 71-78 of the Exhibit.

4. A general characterization of the geology of the Bone Spring formation and its suitability for the proposed injection, including identification of confining layers and their ability to prevent vertical movement of the injected gas is included in my analysis. See *Exhibit A* at 71-78.

5. Page 71 of *Exhibit A* depicts a type log for the project area, showing the proposed injection zone, adjacent oil and gas zones, and confining layers. The proposed injection zone is the Bone Spring Formation, within the Avalon Shale, the 2<sup>nd</sup> Bone Spring Sand, and the Harkey Shale sub-units of the Bone Spring Formation. Adjacent oil and gas zones are the overlying Brushy

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: OXY USA INC.  
Hearing Date: September 09, 2021  
Case No. 22151

Canyon Member of the Delaware Mountain Group, the underlying 3rd Bone Spring Sand Member of the Bone Spring Formation, and the Wolfcamp Formation. Confining layers that will prevent migration of injected gas into adjacent oil and gas zones are within the Avalon Shale Member of the Bone Spring Formation and the 3<sup>rd</sup> Bone Spring Limestone Member of the Bone Spring Formation.

6. Page 72 is a cross-section map using four representative wells in the pilot project area as shown on the following page. This cross section indicates that the entire Bone Spring Formation dips to the east and maintains a consistent thickness across the project area. The Avalon, 2<sup>nd</sup> Bone Spring Sand, and Harkey Shale members follow this pattern. There is no evidence of faults, pinch-outs, or other potential pathways for out-of-zone migration indicated by the cross-sections.

7. Page 73 is a structure map on the top of the Avalon Shale that shows the structure gently dipping to the east. There is no evidence of faults, pinch-outs, or other potential pathways for out-of-zone migration indicated by the structure map.

8. In this proposed CLGC Project, the following well will inject into the Avalon Shale at the following depths:

- Iridium MDPI 28-21 Fed Com 21H

The following wells will inject into the 2<sup>nd</sup> Bone Spring Sand:

- Cal Mon MDP1 35 Federal 1H
- Cal Mon MDP1 35 Federal 2H
- Cal Mon 35 Federal 41H ST1
- Cal Mon MDP1 35 Federal 4H
- Cal Mon MDP1 Federal 5H

The following well will inject into the Harkey Shale of the 3<sup>rd</sup> Bone Spring Lime:

- Cal Mon 35 Federal 175H

9. The proposed injection intervals are in an unconventional reservoir composed of very fine-grained quartz-rich and brittle siltstone. See *Exhibit A* at 71, 74-77. Low-permeability barriers to fluid flow exist within the Bone Spring Formation above and below the proposed injection intervals. Above the Avalon Shale, the highest of the three intervals, the Bone Spring Formation consists of fine-grained siltstones, carbonate mudstones that have very low permeabilities and an average thickness of 250 feet and provide isolation from the overlying productive Avalon Sand and Brushy Canyon Formation. Above the Brushy Canyon Formation are impermeable anhydrite, gypsum, and salt layers of the Castile, Salado, and Rustler Formations. Due to the thickness of multiple impermeable rock layers above the injection reservoir there is little possibility for migration upward into freshwater aquifers where they exist. Below the Avalon Shale is the First Bone Spring Lime, a low permeability, approximately 150-foot thick carbonate-rich interval which provides isolation from the underlying productive First Bone Spring Sand.

10. As described on page 75 of *Exhibit A*, the 2<sup>nd</sup> Bone Spring Sand injection interval is isolated from overlying 1<sup>st</sup> Bone Spring Sand reservoir by the 2<sup>nd</sup> Bone Spring Lime member of the Bone Spring Formation. This mudstone unit has very low permeability and averages 100-feet in thickness. Below the 2<sup>nd</sup> Bone Spring Sand interval is the 3<sup>rd</sup> Bone Spring Lime of low permeability carbonate mudstones averaging 500 feet in thickness.

11. As described on page 77 of *Exhibit A*, the Harkey Shale interval is within the 3<sup>rd</sup> Bone Spring Limestone and is overlain by low permeability carbonates mudstones averaging 300 feet in thickness and underlain by a 200-foot thick barrier of carbonate mudstones.

12. Laterally, the injection will be contained in the reservoir volume that has been previously and partially depleted by the CLGC wells. The low-permeability reservoir will be the primary constraint on movement of the injection gas and is expected to contain the injected gas within the pilot project area. See **Exhibit A** at 74-77.

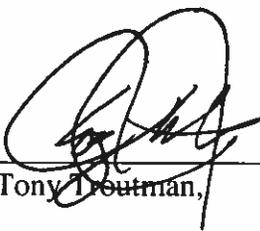
13. My analysis concludes that the Bone Spring formation in this area is suitable for the proposed CLGC Project and that there are geologic barriers that will contain the proposed injection within the Bone Spring formation. See **Exhibit A** at 74-77.

14. I have examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the injection zone and any underground source of drinking water. See **Exhibit A** at 74-77.

15. In my opinion, the granting of OXY's application in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

16. Pages 71-78 of **Exhibit A** were prepared by me or under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

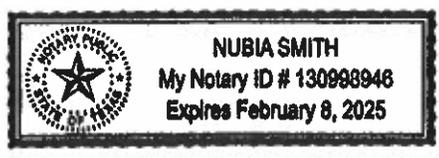
  
\_\_\_\_\_  
Tony Troutman,

STATE OF TEXAS            )  
                                          )  
COUNTY OF HARRIS    )

SUBSCRIBED and SWORN to before me this 1<sup>st</sup> day of September, 2021 by  
Tony Troutman.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:  
02-08-2025



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

APPLICATION OF OXY USA INC. FOR A  
CLOSED LOOP GAS CAPTURE  
INJECTION PILOT PROJECT, EDDY  
COUNTY, NEW MEXICO.

CASE NO. 22151

AFFIDAVIT OF XUEYING XIE

I, Xueying Xie, of lawful age and being first duly sworn, declares as follows:

1. My name is Xueying Xie and I am employed by Oxy USA Inc. ("OXY") as a reservoir engineer.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness.

3. I am familiar with the application filed by OXY in this case and the Division guidance regarding closed loop gas capture injection (CLGC) projects such as this one. I have conducted an engineering study of the reservoir to evaluate the potential effects of the proposed temporary injection on the reservoir and future production. The conclusions I have drawn from my analysis are summarized in pages 78-90 in *Exhibit A* attached to OXY's application.

4. I have examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the injection zone and any underground source of drinking water. See *Exhibit A* at 78.

5. The CLGC project will inject produced gas into horizontal wells with 5,000 ft and 10,000 ft laterals and into the productive zone of the Bone Spring formations of Avalon, 2<sup>nd</sup> Bone Spring Sand, and Harkey. We applied simulation modeling techniques to investigate gas

BEFORE THE OIL CONSERVATION DIVISION  
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movement in the injection zone and any potential impacts on production performance of the CLGC wells and direct offset wells.

6. The model utilized data from our Cedar Canyon Section 16 Gas EOR Project (“CC 16 EOR Project”) for verification. The CC 16 EOR Project began in 2017. It is located 17 miles away from the North Corridor CLGC project area. The bottom left box of page 82 shows the reservoir properties and conditions of the Bone Spring formation at the CC 16 EOR Project. In general, the Cedar Canyon and North Corridor areas have very similar reservoir properties, except the Avalon Shale in North Corridor has a permeability less than 0.001mD. The section, location, and well layout for the CC 16 EOR Project are shown on page 81. In this EOR project, Cedar Canyon 16-7H injected produced gas for five months in 2017 at a rate of 7 mmscf/d. After the five months of EOR gas injection, the final surface tubing head pressure was 4100 psi and bottom hole pressure was about 5000 psi. The simulation model incorporated both the primary production history of wells in the CC 16 EOR Project area and the EOR gas injection history with gas communication occurring between the EOR injection well and offset producing wells. During the first three months of EOR gas injection, there was no observed gas communication. However, after three months of EOR gas injection, there was gas communication in offset producers and the model was able to predict it. This gives us confidence in the ability of the model to predict impacts on offset wells resulting from CLGC operations.

7. The reservoir model is a full section model with five wells. The top right of page 82 shows the 3D model grid. It has 56 layers and over a million cells. The four plots in the bottom right show history match results of all five wells in the CC 16 EOR project area. The dots represent historical field data and the curves are modeling results. The first three plots show the primary production match from 2013 to 2017 for all five wells in the section. The green plot

shows oil rate match, the blue plot shows water rate match, and the red plot shows gas rate match. The bottom right plot shows gas injection bottom hole pressure match of EOR gas injection in 2017. The model shows a good match for all rates and pressure.

8. With the high EOR gas injection rates and injection pressures in the CC 16 EOR Project, the reservoir simulation model was created to capture the gas communication between injection wells and the offset producers. This modeling improved our understanding of the complexity of connected fractures based on actual field response. The model was used to simulate the effects of CLGC operations in the North Corridor and other areas, since the reservoirs have similar properties. We believe the model should be able to predict communication caused by CLGC operations because it was “tuned” based on actual gas communication between wells. First, we created a base case for normal production without any gas injection. Then we ran numerous gas injection cases to simulate CLGC operations and compared those with the base case to determine the impact on well production rate and recovery in both CLGC wells and offset wells. To further validate our injection rate assumptions, we integrated the reservoir model with a Prosper wellbore model to predict the injection rate at a wellhead injection pressure of 1200 psi. The results are shown on the plot of page 84. For a 10,000 ft lateral length well (representative of our proposed Iridium MDP1 “28-21” Federal Com #21H well), 3 mmscf/day is the predicted max injection rate. For a 5,000 ft lateral length well (representative of our other proposed North Corridor CLGC wells), 1.5 (rounded to 2) mmscf/day is the predicted max injection rate. The max rates decline to about 50% of the initial values after three weeks. Despite the injection rate decline over time, Oxy ran all cases in the model with flat injection rates to simulate worst-case scenarios. The results of these model runs are shown on page 87 and discussed more fully below.

9. Reservoir modeling indicates the horizontal movement of injected gas is anticipated to be approximately 100 feet or less from each CLGC wellbore within the Bone Spring formation. See *Exhibit A* at 85. This is illustrated by comparing gas saturation pre-injection and post-injection. The top left plot on page 85 shows pre-injection gas saturation. The wellbores are depicted as east-west lines, and the numerous hydraulic fractures created in each wellbore are shown as NE-SW angled lines. The blue color shows no gas while the cyan color shows gas exists in the fractures. A warmer color indicates a higher gas saturation. The middle plot shows gas saturation after one week of injection. The gas injected into the middle well and the fractures near wellbore show a warmer color. The bottom plots have a magnified view of the CLGC well gas saturation for a clearer comparison. We can clearly see that the fractures near wellbore in the injection case have a warmer color than those of the pre-injection case. Additionally, further away from the CLGC wellbore, there is no gas saturation change in the fractures even though there are connected fractures between wells. This is because the injected gas volume during CLGC operations is too small to move very far away from the CLGC wellbore. And even when we have fracture communication between wells, there is not very high conductivity for immediate gas communication as was observed in our CC 16 EOR project which had a much higher injection rate and pressure. The gas storage injection in North Corridor will occur at a much lower rate (<3 mmscf/d for the 10,000 ft lateral length well and <2 mmscf/d for the 5,000 ft lateral length wells) for a shorter period of time with much lower tubing head pressure (1200psi) compared with CC 16 EOR Project in 2017, so it is not unexpected that the model shows no gas communication. Finally, after a long period of

production following a gas storage event, the gas saturation in the near wellbore of CLGC wells is restored to pre-injection values as shown in the plot on the upper right of page 85. This is because the majority of injected gas has been recovered.

10. The pressure map plots of page 86 tell the same story as the gas saturation map plots. With gas injection, the pressure increases only in the fractures nearest the wellbore within 100 feet of the CLGC well.

11. We modeled all possible CLGC scenarios including different well spacing (from 4-8 Wells Per Section, or “WPS”), single well injection, multi-well injection, and a worst case with a higher injection rate and a longer injection period than historical upsets. The modeling results are summarized in the table on page 87 and in each case show no impact. North Corridor wells have well spacing of 1-7 WPS, and the model scenarios even tested narrower spacing of 8 WPS which still shows no impact. For the injection parameters, all possible scenarios—including the worst-case gas storage scenario—have much lower injection volumes and injection pressures compared to CC 16 EOR Project. In conclusion, the analysis indicates that there will be no change in the oil recovery from each of its proposed injection wells or from any of the offsetting wells because of CLGC operations. *See id.* at 87.

12. As a cross-check of the model results, I prepared an analysis of the expected gas storage capacity in the fracture network of the CLGC well relative to the gas injection volumes for the worst-case injection scenario lasting twenty days. *See Exhibit A* at 88. My analysis confirms that whether the capacity is estimated based on the fracture volume gas equivalent, or the total gas equivalent volumes produced from

the proposed injection zone, the anticipated gas injection volumes will be considerably less than the estimated volume capacity for gas storage within the project area.

13. Fracture dimensions are predicted by a fracture model software package called Gohfer, which is based on reservoir geo-mechanical properties and actual well hydraulic fracturing procedure history matching. The fracture dimensions for Bone Spring wells with different zones are shown at page 89. The table on the right show Stimulated Reservoir Volume (SRV) for each individual CLGC well, which is in the range of 0.8 to 2.4 billion cubic feet.

14. In my analysis, examining the available geologic and engineering data, I have determined that the total recoverable volume of hydrocarbons from the reservoir will not be adversely affected by the pilot project and that the gas composition of the injected gas will not damage the reservoir. See *Exhibit A* at 90.

15. Pages 78 through 90 of **Exhibit A** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Xueying Xie  
Xueying Xie

STATE OF TEXAS )  
COUNTY OF Harris )

SUBSCRIBED and SWORN to before me this 7<sup>th</sup> day of September, 2021, by  
XUEYING XIE.



Ignacio Bonilla  
NOTARY PUBLIC

My Commission Expires.  
04/08/2023