

DATE IN <u>5-3-10</u>	SUSPENSE	ENGINEER <u>WJ</u>	LOGGED IN <u>53-10</u>	TYPE <u>SWD</u>	APP NO. <u>1012428729</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



OXY USA
 106676
 Neff Fed #3

ADMINISTRATIVE APPLICATION CHECKLIST 30-05-28281

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

- [D] Other: Specify Amend to LOSAS to Range Disposal

RECEIVED OGD
 2010 MAY - 3 A
 BLM
 W/THD
 [Handwritten signatures and initials]

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

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

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

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

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

David Stewart
 Print or Type Name

[Signature]
 Signature

SR. Res. Analyst
 Title

4/30/10
 Date

david_stewart@oxy.com
 e-mail Address

Welf Federal #2

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal _____ Storage _____
Application qualifies for administrative approval? X Yes _____ No _____

II. OPERATOR: OXY USA Inc. Neff Federal #3 _____

ADDRESS: P.O. Box 50250 Midland, TX 79710

CONTACT PARTY: David Stewart PHONE: 432-685-5717

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? X Yes _____ No _____
If yes, give the Division order number authorizing the project: R-10525

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review. Attached

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail. Attached

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected; 2600BWPD – 4000BWPD
2. Whether the system is open or closed; Closed
3. Proposed average and maximum injection pressure; 910psi
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, Attached
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.). Attached

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval. Attached

IX. Describe the proposed stimulation program, if any. Attached

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted). Previously Filed

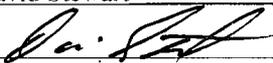
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken. No active water wells within one mile. One DOE-WIPP monitoring well, data not available.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water. Attached

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form. Attached

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: David Stewart TITLE: Sr. Regulatory Analyst

SIGNATURE:  DATE: 4/30/10

E-MAIL ADDRESS: david_stewart@oxy.com

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

III. WELL DATA

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

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

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

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

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

XIV. PROOF OF NOTICE

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

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

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

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

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

INJECTION WELL DATA SHEET

Side 1

OPERATOR: OXY USA Inc.

WELL NAME & NUMBER: 430 FNL 760 FWL NWNW(D) 25 22S 31E

FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8" @ 810' 31E
Cemented with: 1000 sx. or ft³
Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 11" Casing Size: 8-5/8" @ 4306'
Cemented with: 1800 sx. or ft³
Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2:" @ 8460'
Cemented with: 1545 sx. or ft³
Top of Cement: Surface Method Determined: Circulated

Total Depth: 8460' Injection Interval Bell Canyon
4550 feet to 4660 feet

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" 6.5# J55 Lining Material: polylined
Type of Packer: Guiberson GVI PC
Packer Setting Depth: 4500'
Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? Yes X No
If no, for what purpose was the well originally drilled? Oil Well – Converted to Injection 3/06
2. Name of the Injection Formation: Delaware – Ramsey Sand
3. Name of Field or Pool (if applicable): Livingston Ridge Delaware
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. 7050-7068' Current
8220-8240' – 12/95 Set CIBP @ 7510', No Cement
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Delaware/Bone Springs

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS COMMISSION
Drawer DD FORM APPROVED
Artesia Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator
Pogo Producing Company

3. Address and Telephone No.
P. O. Box 10340, Midland, TX 79702-7340 (915)682-6822

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
430' FNL & 760' FWL, Section 25, T22S, R31E

5. Lease Designation and Serial No.
NM-25365
6. If Indian, Allottee or Tribe Name
7. If Unit or CA, Agreement Designation
8. Well Name and No.
Neff Federal No. 3
9. API Well No.
30-015-28281
10. Field and Pool, or Exploratory Area
Livingston Ridge Delaware
11. County or Parish, State
Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>JD & Production Casing</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Drilled 7-7/8" hole to 8460'. TD reached @ 2230 hrs CST 01/31/95. Logged well w/ Western Atlas. Ran 192 jts 5-1/2", 15.5# & 17#, J-55 & N-80 LT&C casing. Float shoe @ 8460'. Float collar @ 8419'. Stage tools @ 3973' & 6177'. Howco cemented 1st stage w/ 575 sx Class "H" + 5 pps Microbond + 2.4 pps KCl + .6% H-322 @ 15.6 ppg. Drop plug. Float held. Drop bomb and open DV tool @ 6177'. Circulated 5 hrs between stages. Recovered 66 sxs excess cement. Cement 2nd stage w/ 420 sxs Halliburton Lite @ 12.4 pps followed by 100 sx Class "C" @ 14.8 ppg. Land plug. Float held. Drop bomb & open DV tool @ 3973'. Circulate 5 hrs between stages. Recovered 77 sxs excess cement. Cement 3rd stage w/ 350 sx Halliburton Lite @ 14.8 ppg followed by 100 sx Class "C" @ 14.8 ppg. Plug down. Tool closed @ 0615 hrs CST 2/3/95. Recovered 57 sxs excess cement. Set slips and make cut-off. ND BOP's and weld on wellhead & test to 2500 psi.

RECEIVED
APR 18 1995

OIL CON. DIV.
DIST. 2

14. I hereby certify that the foregoing is true and correct

Signed [Signature]

Title Senior Operations Engineer

Date 3/15/95

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

ACCEPTED FOR FILE
[Signature]
11 1995

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

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

NM OIL CON. COMMISSION
FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991
ARTICLE 15, N.M.S.T.A. REGULATION AND SERIAL NO.
NM-25365

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. Other _____

3. NAME OF OPERATOR
Pogo Producing Company

4. ADDRESS AND TELEPHONE NO.
P. O. Box 10340, Midland, TX 79702-7340 (915)682-6822

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 430' FNL & 760' FWL, Section 25, T22S, R31E
At top prod. interval reported below same
At total depth same

CONFIDENTIAL

6. IF INDIAN ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Neff Federal No. 3

9. API WELL NO.
30-015-28281

10. FIELD AND POOL, OR WILDCAT
Livingston Ridge Delaware

11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA
Section 25, T22S, R31E

14. PERMIT NO. DATE ISSUED
12/8/94

12. COUNTY OR PARISH Eddy
13. STATE NM

15. DATE SPUDDED 1/20/95 16. DATE T.D. REACHED 1/31/95 17. DATE COMPL. (Ready to prod.) 2/22/95 18. ELEVATIONS (DF, RKB, ST. GR, ETC.)* 3572.7' GR 19. ELEV. CASINGHEAD 3571.7'

20. TOTAL DEPTH, MD & TVD 8460' 21. PLUG. BACK T.D., MD & TVD 8418' 22. IF MULTIPLE COMPLETIONS, HOW MANY? 2 23. PERCENTAGE OF TOTAL DEPTH 8460' 24. CEMENTING RECORD ROTARY TOOLS --- CABLE TOOLS ---

RECEIVED

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)
7050'-68', 8220'-40' Delaware (MD & TVD)

APR 18 1996

25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN
DIL-CNL-CBL

OIL CON. DIV.

27. WAS WELL CORDED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8	54.5#	810	17-1/2	1000 sxs-circ 250 sxs	
8-5/8	32#	4306	11	1800 sxs-circ 400 sxs	
5-1/2	15.5# & 17#	8460	7-7/8	1545 sxs-circ 57 sxs	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8	8059	

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

INTERVAL	SIZE	AMOUNT AND KIND OF MATERIAL USED
7050'-68'	(36 - .50" dia holes)	Acidz w/ 1000 gals 7-1/2% HCl Frac w/ 25000# 16/30 sand
8220'-40'	(40 - .50" dia holes)	Acidz w/ 1000 gals 7-1/2% HCl Frac w/ 168000# 16/30 sand

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
2/23/95	Pumping 1-1/2" insert	Producing					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
2/23/95	24	---	→	55	5	300	91:1
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
---	---	→	55	5	300	41.2	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold

TEST WITNESSED BY
Terry Coor

35. LIST OF ATTACHMENTS
Logs, C-104, Deviation Survey, Sundries

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED *[Signature]* TITLE Senior Operations Engineer DATE 3/15/95

*(See Instructions and Spaces for Additional Data on Reverse Side)

OGRID - 17891
prop - 9337
pool - 39360

101-076 + 2
B+T
W+P

IT IS THEREFORE ORDERED THAT:

Order No. R-10525
12/14/95

(1) The applicant, Pogo Producing Company, is hereby authorized to institute a pilot pressure maintenance project on a portion of its Neff Federal Lease which comprises all of Section 25, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico, by the injection of water into the Brushy Canyon member of the Delaware formation, Livingston Ridge-Delaware Pool, through the perforated interval from approximately 7,050 feet to 7,068 feet in its Neff Federal Well No. 3 located 430 feet from the North line and 760 feet from the West line (Unit D) of said Section 25.

(2) The pilot project area shall initially comprise the N/2 NW/4 and the SW/4 NW/4 of Section 25.

(3) Any proposed expansions of the subject pilot pressure maintenance project by the addition of injection wells and/or additional lands shall be considered by the Division only after notice and hearing.

*Cons. to WIW
MIT 3-14-96*

Confidential 6-16-95

March 16, 1995

Z. Danilov, Comp. Section 24

S-8455

Samana Ray X-P Caliper

9298-885

*2173910-0
2173930-6*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

2151

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	5. Lease Designation and Serial No. NM-25365
2. Name of Operator Pogo Producing Company	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P. O. Box 10340, Midland, TX 79702-7340 (915)685-8100	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 430' FNL & 760' FWL, Section 25, T22S, R31E	8. Well Name and No. Neff #3 WIC
	9. API Well No. 30-015-28281
	10. Field and Pool, or Exploratory Area Livingston Ridge Del.
	11. County or Parish, State Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

04/27/99 Ran base temp survey 6800 - 7508
Ran GR correlation 7508 - 6800
Ran intensity tracer with I-131 6980 - 7062
Ran velocity profile @ 6990 - 7508
Ran pump in temp survey 6800 - 7508

Tracer showed no channel loss above perms 7050 - 68. Test was witnessed by Gary Williams with the Artesia NMOCD. Chart attached.



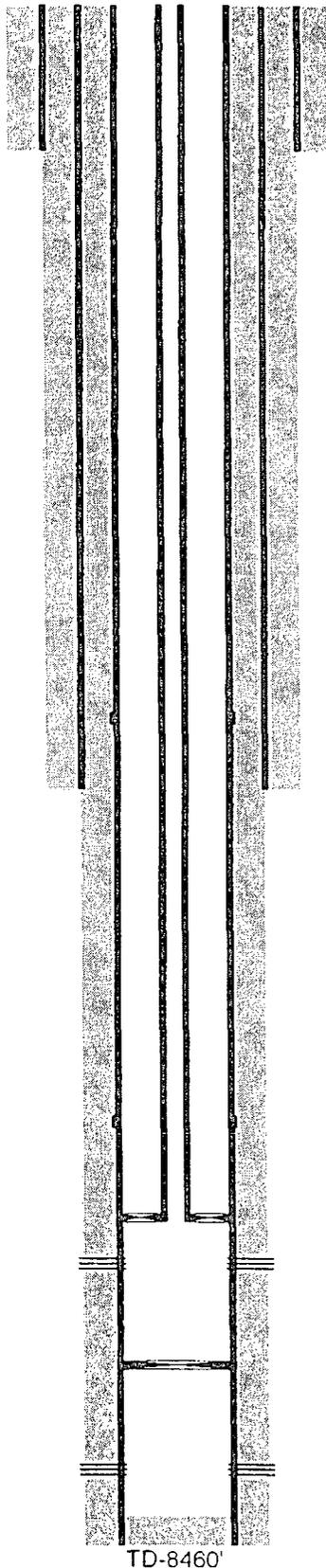
14. I hereby certify that the foregoing is true and correct

Signed *Cathy Embard* Title Operations Technician Date 04/27/99
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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

OXY USA Inc. - Current
Neff Federal #3
API No. 30-015-28281



17-1/2" hole @ 810'
13-3/8" csg @ 810'
w/ 1000sx-TOC-Surf-Circ

Formation Tops
Rustler - 730'
T Salt - 1190'
B Salt - 4202'
Delaware - 4477'
Bell Cany - 4528'
Cherry Cany - 5352'
Brushy Cany - 6593'
Bone Spring - 8350'

11" hole @ 4306'
8-5/8" csg @ 4306'
w/ 1800sx-TOC-Surf-Circ

2-7/8" tbg w/ pkr @ 7060'

Perfs @ 7050-7068'

12/95-CIBP @ 7510'

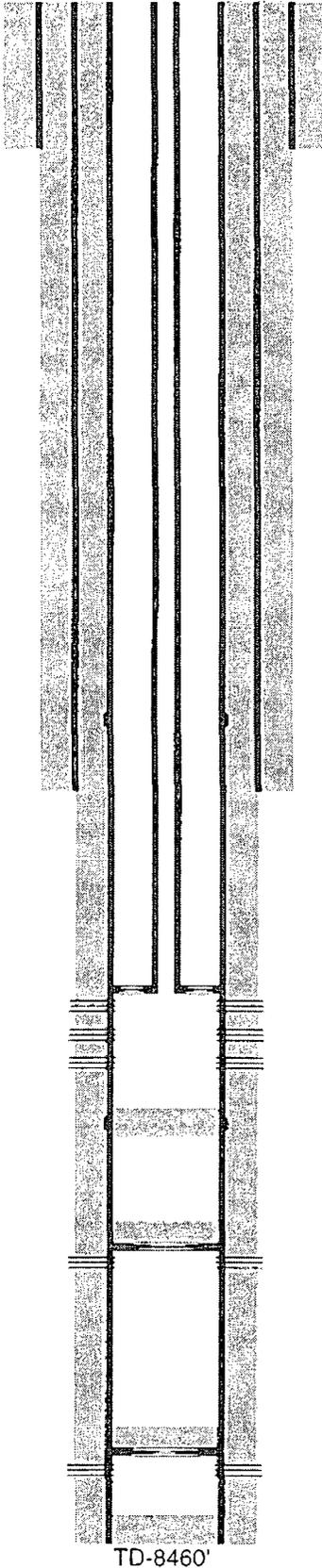
7-7/8" hole @ 8460'
5-1/2" csg @ 8460'
DVT @ 3973' - 6177'
1st w/ 575sx-Circ Surf
2nd w/ 520sx-Circ Surf
3rd w/ 450sx-TOC-Surf-Circ

Perf @ 8220-8240'

PBTD-8418'

TD-8460'

OXY USA Inc. - Proposed
Neff Federal #3
API No. 30-015-28281



17-1/2" hole @ 810'
13-3/8" csg @ 810'
w/ 1000sx-TOC-Surf-Circ

Formation Tops
Rustler - 730'
T Salt - 1190'
B Salt - 4202'
Delaware - 4477'
Bell Cany - 4528'
Cherry Cany - 5352'
Brushy Cany - 6593'
Bone Spring - 8350'

11" hole @ 4306'
8-5/8" csg @ 4306'
w/ 1800sx-TOC-Surf-Circ

2-7/8" tbg w/ pkr @ 5535'

Perfs @ 5634-5987'

30sx @ 6227-6067' WOC-Tag

CIBP @ 7000' w/ 25sx cmt

Perfs @ 7050-7068'

CIBP @ 8170' w/ 25sx cmt

7-7/8" hole @ 8460'
5-1/2" csg @ 8460'
DVT @ 3973' - 6177'
1st w/ 575sx-Circ Surf
2nd w/ 520sx-Circ Surf
3rd w/ 450sx-TOC-Surf-Circ

Perf @ 8220-8240'

PBTD-8418'

TD-8460'

UNITED STATES
DEPARTMENT OF THE INTERIOR **OPERATOR'S COPY**
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NM- 25365

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Neff Federal #3

9. API Well No.
30-015-28281

10. Field and Pool, or Exploratory Area
Livingston Ridge Delaware

11. County or Parish, State
Eddy NM

1. Type of Well
 Oil Well Gas Well Other SWD

2. Name of Operator
OXY USA Inc. 16696

3a. Address
P.O. Box 50250 Midland, TX 79710

3b. Phone No. (include area code)
432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
430 FNL 760 FWL NWNW(D) Sec 25 T22S R31E

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input checked="" type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

1. MI & RU DDPU.
2. POOH w/Tbg and Packer
3. RIH & tag CIBP @ 7510', M&P 25sx cmt on top of CIBP
4. M&P 25sx cmt @ 6227-6127' WOC-Tag
5. Set CIBP at 4800'. POOH w/ tbg.
6. RU Electric Line Unit and perforate 4550-4600' & 4610-4660' w/ 3-3/8" Power Jet 3406 - .37" holes w/6 JSPF (600 Total Shots) on 60 degree phasing.
7. RD ELU. Run Tbg and packer & set packer at 4500'.
8. Perform injection test on reservoir per the attached injection prog from Arc Pressure and report results to engineer. (Note: injection test will be run to determine if well will need stimulation to achieve the anticipated injection pressure and rate.)
9. Place well on injection.

*This work will not take place until an amended SWD permit is approved.

PET Witness

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) David Stewart Title Sr. Regulatory Analyst

Date _____

Approved by *[Signature]* Title _____ Date _____

Office _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
MAY 26 2010
s/ Dustin Winkler
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

OXY USA, Inc.
NM-25365: Neff Federal #3
API: 30-015-28281
Eddy County, New Mexico

RE: Plug back and Recomplete NOI – Conditions of Approval

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

Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Eddy County, call 575-361-2822.

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

1. OK
2. OK
3. Change: Drill out CIBP, and spot a minimum 25sx plug of Class H from PBTD to 8170'. If perfs drink too much cement, a CIBP can be placed after a 2nd attempt at 8170' with 35' bailed or 25sx pumped Class H. (Bone Spring – Perfs)
- 3a. Set CIBP at 7000' with 35' bailed or 25sx pumped cement as per schematic. (Perfs)
4. Plug to be a minimum 160'. Tag at 6067' or shallower – Otherwise OK (DV Tool)
5. OK
6. OK
7. OK
8. A NOI to stimulate the well will be required – Otherwise OK
9. OK

Submit subsequent report with wellbore schematic and completion report once work is completed.

DHW 050410

C-108 - ATTACHMENT B
NEFF FEDERAL #3
1/2 Mile AREA OF REVIEW

OPERATOR	LEASE	WELL NO.	API NO.	30- PLAT	LOCATION	DRILLED	TD	PERFS	CASING- CEMENT	STATUS
Pre-Ongard	Wright-Ped	1	015-05839	1	330 FSL 330 FBL P-23-22S-31E	4/14/82	4760'	---	8-5/8" @ 323' w/ 225sx - TOC-Surf-Circ	DEA-4/62 MED Attached
Pogo	Neff Ped	1	015-25301	2	660 FNL 1980 FWL C-25-22S-31E	5/30/85	15026'	---	13-3/8" @ 800' w/ 827sx - TOC-Surf-Circ 10-3/4" @ 4530' w/ 2000sx - TOC-Surf-Circ 7-5/8" @ 5981-11885' w/ 1135sx - TOC-6088-CBL 5" @ 11531-14998' w/ 515sx - TOC-11531'-Circ	FA-3/04 MED Attached
OXY	Neff Ped	2	015-26639	3	1650 FNL 330 FWL E-25-22S-31E	10/7/91	8440'	7024-8108'	13-3/8" @ 814' w/ 1000sx - TOC-Surf-Circ 8-5/8" @ 4340' w/ 1675sx - TOC-Surf-Circ 5-1/2" @ 8440' w/ 1285sx - TOC-3620'-CBL	Active Oil Livingston Ridge Delaware
OXY	Federal 23	1	015-26377	4	660 FSL 660 FBL P-23-22S-31E	6/20/90	8420'	6760-8198'	13-3/8" @ 845' w/ 800sx - TOC-Surf-Circ 8-5/8" @ 4394' w/ 1340sx - TOC-Surf-Circ 5-1/2" @ 8420' w/ 1240sx - TOC-3750'-CBL	Active Oil Livingston Ridge Delaware
OXY	Federal 23	2	015-26932	5	1750 FSL 660 FBL I-23-22S-31E	3/30/92	8430'	7000-8257'	13-3/8" @ 828' w/ 1000sx - TOC-Surf-Circ 8-5/8" @ 4279' w/ 1700sx - TOC-Surf-Circ 5-1/2" @ 8430' w/ 1400sx - TOC-1250'-CBL	Active Oil Livingston Ridge Delaware
OXY	Federal 26	1	015-26376	6	610 FNL 510 FBL A-26-22S-31E	5/30/90	8415'	6960-8318'	13-3/8" @ 850' w/ 900sx - TOC-Surf-Circ 8-5/8" @ 4447' w/ 1280sx - TOC-Surf-Circ 5-1/2" @ 8415' w/ 1220sx - TOC-2900'-CBL	Active Oil Livingston Ridge Delaware
Chevron	Getty 24 Ped	2	015-26287	7	660 FSL 660 FWL M-24-22S-31E	2/24/90	8000'	6604-7101'	11-3/4" @ 840' w/ 700sx - TOC-Surf-Circ 8-5/8" @ 4500' w/ 1350sx - TOC-Surf-Circ 5-1/2" @ 8000' w/ 1950sx - TOC-Surf-Circ	Active Oil Livingston Ridge Delaware
Chevron	Getty 24 Ped	4	015-26482	8	1980 FSL 1980 FWL K-24-22S-31E	11/15/91	8400'	6970-8264'	11-3/4" @ 840' w/ 800sx - TOC-Surf-Circ 8-5/8" @ 4350' w/ 1550sx - TOC-Surf-Circ 5-1/2" @ 8400' w/ 1750sx - TOC-Surf-Circ	Active Oil Livingston Ridge Delaware
Chevron	Getty 24 Ped	7	015-27147	9	1980 FSL 660 FWL L-24-22S-31E	6/15/96	8550'	7030-8170'	11-3/4" @ 785' w/ 500sx - TOC-Surf-Circ 8-5/8" @ 4408' w/ 1065sx - TOC-Surf-Circ 5-1/2" @ 8550' w/ 1475sx - TOC-1175'-CBL	Active Oil Livingston Ridge Delaware
Chevron	Getty 24 Ped	13	015-31801	10	990 FSL 2310 FBL O-24-22S-31E	8/2/02	8600'	6582-8336'	13-3/8" @ 790' w/ 950sx - TOC-Surf-Circ 8-5/8" @ 4397' w/ 1300sx - TOC-Surf-Circ 5-1/2" @ 8583' w/ 1400sx - TOC-Surf-Circ	Inactive Oil Livingston Ridge Delaware

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T 22 - R 31

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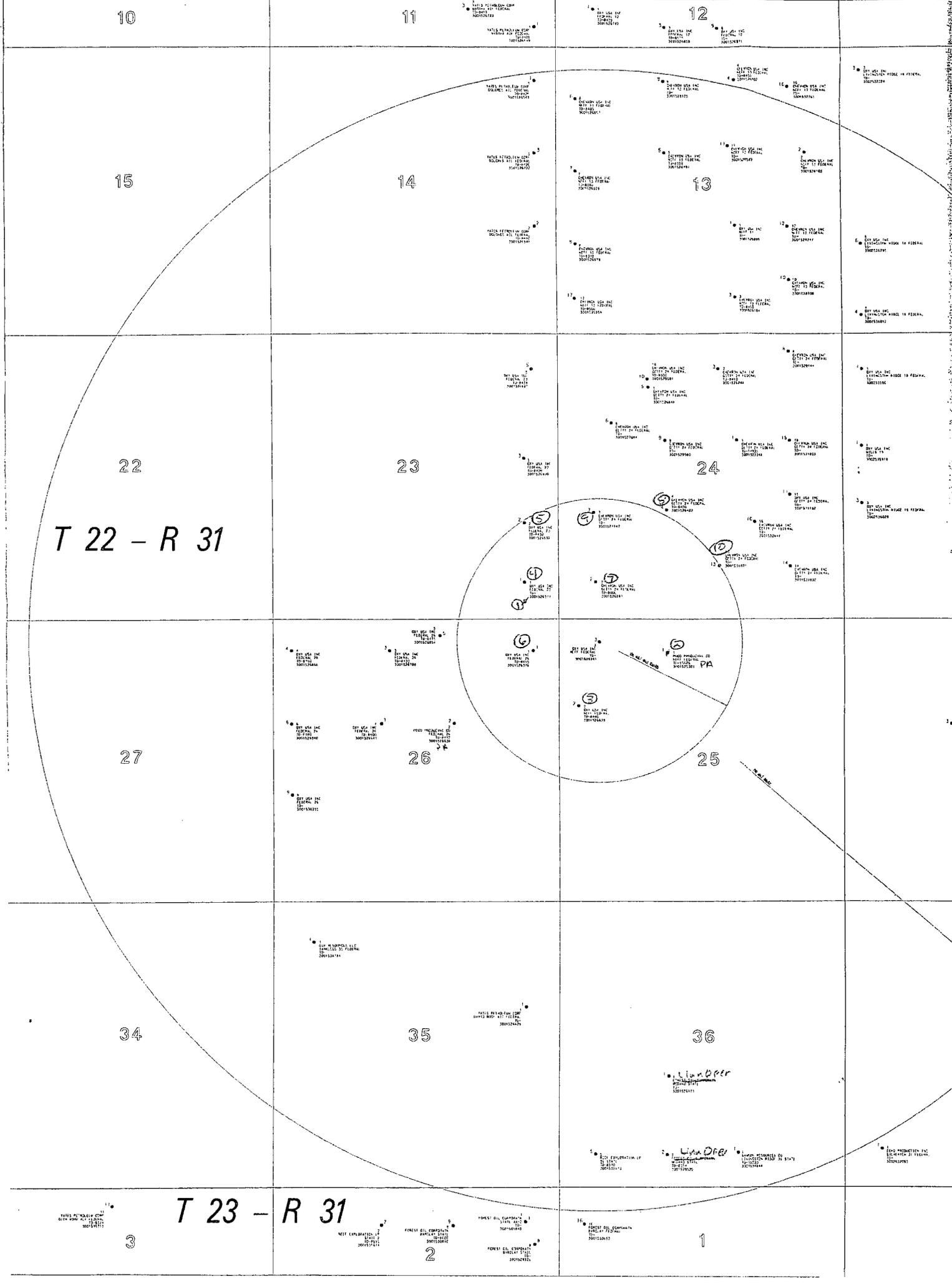
36

T 23 - R 31

3

2

1



Pogo Producing Co.
Neff Federal #1 - P&A 3/30/04
API No. 30-015-25301

3/04-25sx @ Surface

3/04-375sx @ 1560-642' WOC-Tag

3/04-450sx @ 2504-1560' WOC-Tag

3/04-450sx @ 3785-2504' WOC-Tag

3/04-200sx @ 4300-3785' WOC-Tag

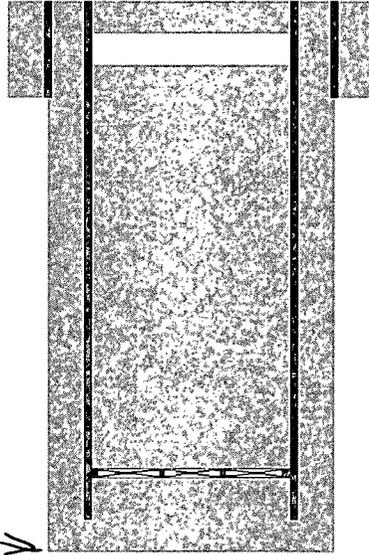
3/04-CR @ 4300'

3/04-250sx @ 4800-4300' WOC-Tag

3/04-625sx @ 6016-5524' WOC-Tag

6/93-CIBP @ 7260'

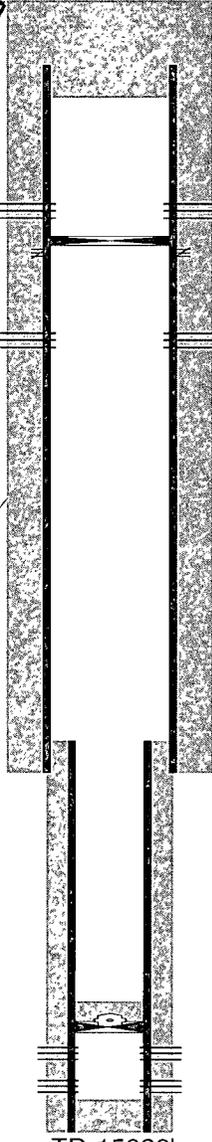
10/89-RBP @ 14350' w/ 20' cmt



17-1/2" hole @ 800'
 13-3/8" csg @ 800'
 w/ 827sx-TOC-Surf-Circ

12-1/4" hole @ 4530'
 10-3/4" csg @ 4530'
 w/ 2000sx-TOC-Surf-Circ

*Well is
 Located
 SE of
 Inj well
 on Edge of
 pay interval
 Probably OK
 WJD*



3/04-Cut & pull 7-5/8" csg @ 5981'

10/89-Perf @ 6980-7120'
 10/89-Sqz 675sx cmt @ 7302-7300'
 TOC-6088'-CBL

6/93-Perf @ 8260-8360'

9-1/2" hole @ 11885'
 7-5/8" csg @ 11885'
 w/ 1135sx-TOC-7350'-Calc

6-1/4" hole @ 15026'
 5" liner @ 11531-14998'
 w/ 515sx-TOC-11531'-Circ

Perfs @ 14460-14723'

TD-15026'



Texas Crude Oil Co.-Pre-Ongard
Wright-Federal #1 - P&A 4/25/62
API No. 30-015-05839

20sx @ Surface

35sx @ 1190'

35sx @ 3095'

35sx @ 4560'



11" hole @ 323'
8-5/8" csg @ 323'
w/ 225sx-TOC-Surf-Circ

7-7/8" OH @ 323-4760'

TD-4760'

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
 Odessa, Texas 79765-8538
 561-5579

Company: **Nalco Company**

Well Number:	Cotton Draw #15	Sample Temp:	70
Lease:	OXY	Date Sampled:	4/20/2010
Location:		Sampled by:	Casey Summers
Date Run:	4/22/2010	Employee #:	
Lab Ref #:	10-apr-n53576	Analyzed by:	DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H ₂ S)	.00	16.00	.00
Carbon Dioxide	(CO ₂)	NOT ANALYZED		
Dissolved Oxygen	(O ₂)	NOT ANALYZED		

Cations

Calcium	(Ca ⁺⁺)	13,844.88	20.10	688.80
Magnesium	(Mg ⁺⁺)	2,698.64	12.20	221.20
Sodium	(Na ⁺)	43,480.44	23.00	1,890.45
Barium	(Ba ⁺⁺)	NOT ANALYZED		
Manganese	(Mn ⁺)	14.87	27.50	.54

Anions

Hydroxyl	(OH ⁻)	.00	17.00	.00
Carbonate	(CO ₃ ⁼)	.00	30.00	.00
BiCarbonate	(HCO ₃ ⁻)	12.22	61.10	.20
Sulfate	(SO ₄ ⁼)	450.00	48.80	9.22
Chloride	(Cl ⁻)	99,108.90	35.50	2,791.80
Total Iron	(Fe)	4.22	18.60	.23
Total Dissolved Solids		159,614.17		
Total Hardness as CaCO ₃		45,676.62		
Conductivity MICROMHOS/CM		190,500		

pH 6.830 Specific Gravity 60/60 F. 1.111

CaSO₄ Solubility @ 80 F. 17.59MEq/L, CaSO₄ scale is unlikely

CaCO₃ Scale Index

70.0	-.169	100.0	.231	130.0	.911
80.0	-.049	110.0	.531	140.0	.911
90.0	.231	120.0	.531	150.0	1.301

Attachment C-108
OXY USA Inc.
Neff Federal #3

VIII.

Injection zones for the Neff Federal 3 well, Sect 25, T22S, R30E Eddy county, New Mexico.

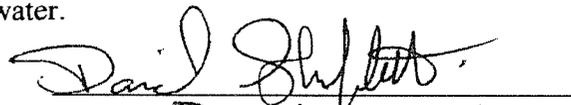
The proposed injection for the Neff Federal 3 is over a 1500' interval within the Bell Canyon, and upper parts of the Cherry Canyon formations of the Delaware Mountain Group. The Delaware Mountain Group is a Guadalupian Permian interval found at approximately 4200' MD at this location. The formation is comprised of a series of interbedded sands, shales and carbonates, The majority of the interval is comprised of sands. The sands are characterized as basinal turbidites and debris flows. As such, they occur as thin tabular elongate units with long axis running roughly north to south. Porosity and permeability are good in the horizontal direction and poor in the vertical direction due to the interbedded shales. Water should remain in the interval into which it is injected and not to migrate vertically away from the interval.

The Delaware Mountain group is overlain by the Late Permian Ochoan Salado and Castile formations. The Castile is banded Anhydrite and Calcite with occasional salt beds. The Salado is a salt formation. The combined thickness of the Salado and Castile at this location is approximately 3000' This interval acts as a seal for the underlying reservoirs and is impermeable to the migration of fluids from the Delaware Mountain Group into shallower formations.

Above the Salado is the Rustler formation. It is made up of layers of Dolomite, Anhydrite, siltstone and salt. The Dolomites within the Rustler are recognized as the lowest occurring aquifers in the area.

XI.

I have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.


Oxy Permian Geologist

Service List - C-108 Amended SWD Application
OXY USA Inc. - Neff Federal #3

United States Dept of Interior
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

New Mexico Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Chevron USA Inc.
15 Smith Road
Midland, TX 79705

OXY USA Inc.
P.O. Box 50250
Midland, TX 79710

April 22, 2010

Notice Of Application For Fluid Disposal

Applicant: OXY USA, Inc. P.O. Box 50250 Midland, TX 79710 ATTN: David Stewart 432-685-5717

Purpose - Well: Disposal of Produced Water - Into EA Zone Productive of Oil & Gas Neff Federal #3 430 FNL 760 FWL NWNW(D) Sec 25 T2S R31E Eddy County, NM

Formation: Delaware - Ramsey Sand 4550-4660' Maximum Injection Rate - 4000 BWPD Maximum Injection Pressure - 910 psi

Interested parties must file objections or requests for hearings with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 within 15 days of this application.

Affidavit of Publication

State of New Mexico County of Eddy, ss.

Kathy McCarroll, being first duly sworn, on oath says:

That she is the Classified Supervisor 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:

April 22 2010

That the cost of publication is \$44.71 and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

Subscribed and sworn to before me this 2th day of April, 2010

Stephanie Dobson

My commission expires 1/25/2014 Notary Public



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: BLM 620 E. Greene St. Carrizosa, NM 88720		B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label) 7005 0390 0002 9920 7665		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: UMACO 1301 W. Grand Ave. Artesia, NM 8820		B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label) 7005 0390 0002 9920 7672		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: STATE OF NEW MEXICO ENERGY & MINERALS DEPARTMENT OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. SANTA FE, NM 87505		B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label) 7005 0390 0002 9920 7689		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Chevron USA Inc. 15 Smith Rd. Midland TX 79705		B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label) 7005 0390 0002 9920 7696		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>UNOCO 1301 W. Grand Ave. Artesia, NM 88220</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7672</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>BLM 620 E. Greene St. Carlsbad, NM 88220</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7665</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>STATE OF NEW MEXICO ENERGY & MINERALS DEPARTMENT OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. SANTA FE, NM 87505</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7669</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Chevron USA Inc. 15 Smith Rd. Midland TX 79705</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7696</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Western AG Minerals Co. P.O. Box 71 Carlsbad, NM 88221</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7702</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, June 04, 2010 10:01 AM
To: 'david.stewart@oxy.com'
Cc: 'Wesley_Ingram@blm.gov'; Ezeanyim, Richard, EMNRD; Gray, Darold, EMNRD; Reeves, Jacqueta, EMNRD
Subject: Disposal application from OXY USA, Inc.: Neff Federal #3 30-015-28281 Bell Canyon

Hello David:

Thank you for the application – very well done.

Only items I see are:

- a. Please provide notice to the nearest Potash Leaseholder
- b. Let me know who is the Surface owner.
- c. Send the dates the notices were mailed out – the certified receipts dates are not showing up on my copies.
- d. How will you test this upper Bell Canyon interval for productivity? – you could send a log analysis showing the estimated capability of production.
- e. The Wright Federal #1 30-015-05839 will need to be re-entered and re-plugged and we can issue a conditional permit stating this requirement.

Thanks Again,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



-----Original Message-----

From: Dustin_Winkler@blm.gov [mailto:Dustin_Winkler@blm.gov]

Sent: Wednesday, June 09, 2010 3:31 PM

To: Jones, William V., EMNRD

Cc: Wesley_Ingram@blm.gov

Subject: Re: Wright Federal #1 30-015-28281 replug requirement (OXY's SWD application for the Neff Federal #3 30-015-28281)

Will,

No we do not. With the proximity to potash and the problems that have come up with other SWD within the potash area causing H2S to be detected in the salt section, the BLM feels that this location would not be in the best interest of the public.

Thanks,

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

"Jones, William

V., EMNRD"

To <William.V.Jones@

state.nm.us>

<Dustin_Winkler@blm.gov>,

<Wesley_Ingram@blm.gov>

cc 06/09/2010 03:23

PM

Subject

Wright Federal #1 30-015-28281

replug requirement (OXY's SWD

application for the Neff Federal

#3

30-015-28281)

RE: Disposal application from OXY
USA, Inc.: Neff Federal #3
30-015-28281 Bell Canyon

Hello David Stewart:
I got your phone call earlier...

Also today we received a protest from the BLM in Carlsbad (Mr. Dustin Winkler).
The BLM protests this OXY application for disposal - please contact the BLM in Carlsbad for information concerning this.

Due to the protest, the Division can no longer consider this application administratively.
Please consult your attorney for advice on how to proceed from here.

I will retain this paperwork pending your decision on what to do.
Please alert me if you enter a case for hearing.

Regards,

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Jones, William V., EMNRD
Sent: Friday, June 04, 2010 10:17 AM
To: 'David_Stewart@oxy.com'
Subject: FW: Disposal application from OXY USA, Inc.: Neff Federal #3
30-015-28281 Bell Canyon

From: Jones, William V., EMNRD
Sent: Friday, June 04, 2010 10:01 AM
To: 'david.stewart@oxy.com'
Cc: 'Wesley_Ingram@blm.gov'; Ezeanyim, Richard, EMNRD; Gray, Darold, EMNRD; Reeves, Jacqueta, EMNRD
Subject: Disposal application from OXY USA, Inc.: Neff Federal #3
30-015-28281 Bell Canyon

Hello David:
Thank you for the application - very well done.

Only items I see are:

Jones, William V., EMNRD

From: Dustin_Winkler@blm.gov
Sent: Thursday, July 08, 2010 12:22 PM
To: Jones, William V., EMNRD
Cc: David_Stewart@oxy.com; Dade, Randy, EMNRD; Ezeanyim, Richard, EMNRD
Subject: RE: Disposal application from OXY USA, Inc.: Neff Federal #3 30-015-28281 Bell Canyon
Attachments: pic15248.jpg

Will,

After talking with our solid minerals group, and Wesley, the BLM does not object to the Neff Fed #3 converting to an SWD within the Cherry Canyon.

Thanks,

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

"Jones, William
V., EMNRD"
<William.V.Jones@
state.nm.us> To
<David_Stewart@oxy.com> cc
06/09/2010 04:37
PM "Ezeanyim, Richard, EMNRD"
<richard.ezeanyim@state.nm.us>,
<Dustin_Winkler@blm.gov>, "Dade,
Randy, EMNRD"
<Randy.Dade@state.nm.us> Subject
RE: Disposal application from OXY
USA, Inc.: Neff Federal #3
30-015-28281 Bell Canyon

Hello David Stewart:
I got your phone call earlier...

Also today we received a protest from the BLM in Carlsbad (Mr. Dustin Winkler).
The BLM protests this OXY application for disposal - please contact the BLM in Carlsbad for
information concerning this.

Due to the protest, the Division can no longer consider this application administratively.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, July 08, 2010 1:19 PM
To: David_Stewart@oxy.com
Cc: 'Dustin_Winkler@blm.gov'
Subject: RE: Disposal application from OXY USA, Inc.: Neff Federal #3 30-015-28281 Bell Canyon

Hello David:
The protest is withdrawn.

Did you folks address the other concerns or think about them? I have forgotten...

Regards,

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

-----Original Message-----

From: Dustin_Winkler@blm.gov [mailto:Dustin_Winkler@blm.gov]
Sent: Thursday, July 08, 2010 12:22 PM
To: Jones, William V., EMNRD
Cc: David_Stewart@oxy.com; Dade, Randy, EMNRD; Ezeanyim, Richard, EMNRD
Subject: RE: Disposal application from OXY USA, Inc.: Neff Federal #3 30-015-28281 Bell Canyon

Will,

After talking with our solid minerals group, and Wesley, the BLM does not object to the Neff Fed #3 converting to an SWD within the Cherry Canyon.

Thanks,

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

"Jones, William V., EMNRD"	
<William.V.Jones@state.nm.us>	To
	<David_Stewart@oxy.com>
	cc
06/09/2010 04:37 PM	"Ezeanyim, Richard, EMNRD"
	<richard.ezeanyim@state.nm.us>, <Dustin_Winkler@blm.gov>, "Dade, Randy, EMNRD"
	<Randy.Dade@state.nm.us>
	Subject

Jones, William V., EMNRD

From: David_Stewart@oxy.com
Sent: Monday, July 12, 2010 1:34 PM
To: Jones, William V., EMNRD
Cc: dustin_winkler@nm.blm.gov; Dade, Randy, EMNRD
Subject: RE: Disposal application from OXY USA, Inc.: Neff Federal #3 30-015-28281 Cherry Canyon
Attachments: NeffFd3ChryCan.ppt; NeffFd3GeolData-ChryCan.doc; img-712130509-0001.pdf

Will please see attached for the information for item d. I have also attached a copy of the proposed sundry notice for the recompletion to the Cherry Canyon that will be mailed to the BLM today. If you need any additional information, please let me know and I appreciate the help.

Thanks, David S.
432-685-5717

From: Stewart, David
Sent: Thursday, July 08, 2010 3:26 PM
To: 'Jones, William V., EMNRD'
Cc: Dustin_Winkler@blm.gov
Subject: RE: Disposal application from OXY USA, Inc.: Neff Federal #3 30-015-28281 Bell Canyon

Will, I had worked up most of the responses to your earlier request, but didn't send it to you since by the time I had it worked up you notified me of the BLM protest. I will need to get the proposed Cherry Canyon interval that they plan to inject and will have them work up the response to item d. Do I need to re-submit or send additional notices since we are changing the interval? I appreciate the help.

- a. Please provide notice to the nearest Potash Leaseholder - Western AG Minerals, application mailed to them 6/8/10, received 6/11/10, copy of signed certified returned receipt is attached.
- b. b. Let me know who is the Surface owner. - BLM
- c. c. Send the dates the notices were mailed out – the certified receipts dates are not showing up on my copies. - The notices were mailed 4/30/10 when the application was submitted, please see attached for a copy of the signed certified returned receipts.
- d. d. How will you test this upper Bell Canyon interval for productivity? – you could send a log analysis showing the estimated capability of production. - pending, will have to get our operations people to work this up for the Cherry Canyon.
- e. e. The Wright Federal #1 30-015-05839 will need to be re-entered and re-plugged and we can issue a conditional permit stating this requirement. - This well was drilled to 4760' and plugged as a dry hole with only the 8-5/8" casing that was set to 323' left in the hole. There were three 35sx plugs set in the openhole @ 4560', 3095', 1190' and one 20sx plug at surface. When you say we will need to re-enter and plug do you mean to spot a surface casing plug, because there is only open hole below the 8-5/8" casing @ 323'. and after almost 50 years we would probably have to re-drill the entire openhole.

Thanks, David S.
432-685-5717
Fax-432-685-5742

Attachment C-108
OXY USA Inc.
Neff Federal #3

Injection zones for the Neff Federal 3 well, Sec 25, T22S, R30E Eddy county, New Mexico.

The proposed injection for the Neff Federal 3 is over a 550' interval within the Cherry Canyon formation of the Delaware Mountain Group. The Delaware Mountain Group is a Guadalupian Permian interval comprised of three formations, the Bell Canyon, the Cherry Canyon and the Brushy Canyon. The shallowest formation, at the top of the Delaware Mountain Group, is the Bell Canyon. The Bell Canyon is approximately 1000 ft thick. It is found at 4526' MD at this location. The Cherry Canyon, the target formation for water injection lies below the Bell Canyon and above the Brushy Canyon. The Cherry Canyon is approximately 1200 ft thick and is encountered at 5352 feet measured depth. The formation is comprised of a series of interbedded sands, shales and carbonates, The majority of the interval is comprised of sands. The sands are characterized as basinal turbidites and debris flows. As such, they occur as thin tabular elongate units with long axis running roughly north to south. Porosity and permeability are good in the horizontal direction and poor in the vertical direction due to the interbedded shales. Water should remain in the interval into which it is injected and not to migrate vertically away from the interval.

The Delaware Mountain group is overlain by the Late Permian Ochoan Salado and Castile formations. The Castile is banded Anhydrite and Calcite with occasional salt beds. The Salado is a salt formation. The combined thickness of the Salado and Castile at this location is approximately 3000'. This interval acts as a seal for the underlying reservoirs and is impermeable to the migration of fluids from the Delaware Mountain Group into shallower formations.

Above the Salado is the Rustler formation. It is made up of layers of Dolomite, Anhydrite, siltstone and salt. The Dolomites within the Rustler are recognized as the lowest occurring aquifers in the area.

The Neff Federal 3 has several zones in the Upper Cherry Canyon that, based on GR and phie curve response, show good sand development and should make good SWD targets. In the Neff Federal 3 well the base of the salt is at 4475' md. The top of the Cherry Canyon is 877' below the base of the salt at 5352' md.

The intervals for injection are as follows:

Top of Interval	Bottom of Interval	Thickness
5634	5670	36
5764	5782	18
5792	5805	13
5817	5841	24
5853	5890	37
5904	5935	31
5948	5987	39

All of the intervals are above the producing Cherry Canyon intervals

Below are the productive zones in Cherry Canyon

Well	Zone	Top	Bottom
ELRU #01	LCM	6,762	6,773
ELRU #06	LCM	6,660	6,688
ELRU #12	LCM	6,706	6,720
Getty 24 Fed #10	LCM	6,443	6,497
Neff 13 Fed #09	LCM	6,483	6,510
ELRU #05	LCM-Willi	6,722	6,752
ELRU #06	LCM-Willi	6,723	6,742
ELRU #12	LCM-Willi	6,760	6,790
Federal 26 #02	LCM-Willi	6,521	6,535
Federal 26 #05	LCM-Willi	6,496	6,538
Getty 24 Fed #09	LCM-Willi	6,545	6,552
Getty 24 Fed #10	LCM-Willi	6,503	6,526
Getty 24 Fed #11	LCM-Willi	6,590	6,612
Getty 24 Fed #13	LCM-Willi	6,582	6,588
Getty 24 Fed #15	LCM-Willi	6,601	6,624
Getty 24 Fed #16	LCM-Willi	6,596	6,602
Neff 13 Fed #09	LCM-Willi	6,548	6,570

Injection Permit Checklist (03/15/2010)

Case R- SWD 1229 WFX PMX IPI Permit Date 7/13/10 UIC Ctr (A/m/b)
 # Wells 1 Well Name: Neff Federal #3
 API Num: (30-) 015-28281 Spud Date: 95 New/Old: N (UIC primacy March 7, 1982)
 Footages 430FNL/76FWL Unit D Sec 25 Tsp 225 Rgs B/E County Eddy
 Operator: OXY USA, INC. Contact Daryl Stewart
 OGRID: 16696 RULE 5.9 Compliance (Wells) 3/1779 (Finan Assur) OK 5.9 OK? OK
 Operator Address: P.O. BOX 50250 MIDLAND TX 7970

Current Status: Reaper for initial SWD R-10525

Planned Work to Well: P.B. Planned Tubing Size/Depth 2 7/8" C 4550'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	17 1/2 13 3/8	810	1000	CIRC
Existing <input checked="" type="checkbox"/> Intermediate	11 8 5/8	4306	1800	CIRC
Existing <input checked="" type="checkbox"/> Long String	2 7/8 5 1/2	8460	35 steps 1545	CIRC (all stages)

DV Tool 6.177 Liner Open Hole Total Depth 8460

Well File Reviewed Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>4437</u>	<u>Red Hill C.</u>	
Injection..... Interval TOP:	<u>4550</u>	<u>Rural Ball</u>	<u>NO</u>
Injection..... Interval BOTTOM:	<u>4660</u>	<u>Ball</u>	<u>NO</u>
Below (Name and Top)	<u>5352</u>	<u>Cherry</u>	

GENERAL LOCATION See R-10525

910 PSI Max. WHIP
 Open Hole (Y/N)
 Deviated Hole?

Sensitive Areas: Capitan Reef Cliff House Salt Depths 940 - 9202
 Potash Area (R-111-P) Yes Potash Lessee ? Noticed?

Fresh Water: Depths: Wells None Analysis? Affirmative Statement

Disposal Fluid Sources: Red Bushy Analysis?

Disposal Interval Production Potential/Testing/Analysis Analysis:

Notice: Newspaper (Y/N) Surface Owner Mineral Owner(s)

RULE 26.7(A) Affected Parties: Chevron/OXY

Area of Review: Adequate Map (Y/N) and Well List (Y/N)

Active Wells 8 Num Repairs 0 Producing in Injection Interval in AOR NO

P&A Wells 2 Num Repairs 1 All Wellbore Diagrams Included?

Questions/Required Work: Look for inj interval to be open Ball C.

Request Sent Reply:
Request Sent Reply:
Request Sent Reply:

4550
 9100

F 10/15/10

1500?

5 sep 2010
 X
 NOTICE