

Order Number

425

API Number

30-025-30063

Operator

Oxy USA Inc

County

Lea

Order Date

11-17-10

Well Name

WBR Federal

Number

#9

Location

F

UL

13

Sec

22S

T (+Dir)

32E

R (+Dir)

Pool 1

51689

Red Tank Delaware W

Oil %

81%

Gas %

84%

Pool 2

51683

Red Tank Bone Spring

19%

16%

Pool 3

Pool 4

Comments:

Posted in RBDMs 11-23-10 BSH

DOWNHOLE COMMINGLE CALCULATIONS:

DHC-HOB-
30-025-36063

OPERATOR: Oxy USA Inc

PROPERTY NAME: WBR Federal #9

WNULSTR: F-13-225-32 E

SECTION I:		ALLOWABLE AMOUNT	
POOL NO. 1	<u>Red Tank Delaware W</u>	<u>230</u>	<u>2000</u> MCF
POOL NO. 2	<u>Red Tank Bone Spring</u>	<u>215</u>	<u>2000</u> MCF
POOL NO. 3	_____	_____	_____ MCF
POOL NO. 4	_____	_____	_____ MCF
	POOL TOTALS	<u>505</u>	<u>4000</u>

SECTION II:		<u>Oil</u>	<u>Gas</u>
POOL NO. 1	<u>Red Tank Delaware W</u>	<u>81%</u>	<u>84%</u>
POOL NO. 2	<u>Red Tank Bone Spring</u>	<u>19% x 505 = 95.95</u>	<u>16%</u>
POOL NO. 3	_____	<u>2967</u>	
POOL NO. 4	_____		

SECTION III:	<u>OIL</u>	<u>GAS</u>
	<u>19% ÷ 215 = 1447.368</u>	<u>< 1447 ></u>

SECTION IV:		
	<u>81% x 1447 = 1172.07</u>	<u>< 1172 ></u>
	<u>19% x 1447 = 274.93</u>	<u>< 275 ></u>
	_____	_____
	_____	_____

Submit 3 Copies To Appropriate District
 Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

RECEIVED
 CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
OCT 12 2010
HOBBSOCD

WELL API NO. 30-025- <u>36063</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> <u>Fed</u>
6. State Oil & Gas Lease No. Fed-NMM58940
7. Lease Name or Unit Agreement Name: WBR Federal
8. Well Number <u>9</u>
9. OGRID Number 16696
10. Pool name or Wildcat Red Tank Delaware, W./ Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3686'</u>
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 OXY USA Inc.

3. Address of Operator
 P.O. Box 50250 Midland, TX 79710

4. Well Location
 Unit Letter F : 2160 feet from the north line and 2250 feet from the west line
 Section 13 Township 22S Range 32E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3686'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON

TEMPORARILY ABANDON CHANGE PLANS

PULL OR ALTER CASING MULTIPLE COMPLETION

OTHER: DHC - Pre-Approved Pools - R-11363

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING

COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attachment

DHC-HOB-425

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan

SIGNATURE David Stewart TITLE Sr. Regulatory Analyst DATE 10/2/10

Type or print name David Stewart E-mail address: david_stewart@oxy.com Telephone No. 432-685-5717

For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE NOV 17, 2010

Conditions of Approval, if any:

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

OCT 12 2010
HOBSOCD

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

OXY USA Inc. P.O. Box 50250 Midland, TX 79710
Operator WBR Federal #9 Address F -13-T22S R32E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 16696 Property Code 304992 API No. 30-025-36063 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Red Tank Delaware, West		Red Tank Bone Spring
Pool Code	51689		51683
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8440-8517'		8830-8834' 9841-9872'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			41.2
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Estimate Rates: 48 -BO 132 -MCF 48 -BW	Date: Rates:	Date: 7/1/10 Rates: 10 -BO 25 -MCF 16 -BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 81 % 84 %	Oil Gas % %	Oil Gas 19 % 16 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
 Are all produced fluids from all commingled zones compatible with each other? Yes No
 Will commingling decrease the value of production? Yes No
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No
 NMOCD Reference Case No. applicable to this well: R-11363

Attachments:
 C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 Production curve for each zone for at least one year. (If not available, attach explanation.)
 For zones with no production history, estimated production rates and supporting data.
 Data to support allocation method or formula.
 Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
 Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
 List of all operators within the proposed Pre-Approved Pools
 Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
 Bottomhole pressure data.

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

SIGNATURE David Stewart TITLE Sr. Regulatory Analyst DATE 10/7/10
 TYPE OR PRINT NAME David Stewart TELEPHONE NO. (432) 685-5717
 E-MAIL ADDRESS david_stewart@oxy.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

OCD-HOBBS
RECEIVED
NOV 15 2010
HOBBSOCD

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.

5. Lease Serial No. NMM58940

6. If Indian, Allottee or Tribe Name _____

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

8. Well Name and No. WBR Federal #9 ✓

9. API Well No. 30-025-36063 ✓

10. Field and Pool, or Exploratory Area Red Tank Delaware, West Red Tank Bone Spring

11. County or Parish, State Lea NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator OXY USA Inc. 16696

3a. Address P.O. Box 50250, Midland, TX 79710-0250

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2160 FWL 2250 FWL SENW(F) Sec 13 T22S R32E ✓

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 checked="" 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 checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DHC</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input 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.)

DHC
SUBJECT TO LIKE
APPROVAL BY STATE

See Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

DHC-HOB-425

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

Name (Printed/Typed) David Stewart Title Sr. Regulatory Analyst

David Stewart Date 10/10 **APPROVED**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title PETROLEUM ENGINEER Date NOV 1 2010 **NOV 16 2010**

Office LN WESLEY W. INGRAM

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.

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

RECEIVED

NOV 15 2005

Form C-102
Revised October 12, 2005

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

HOBBS

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36063		² Pool Code 51683		³ Pool Name Red Tank Bone Spring	
⁴ Property Code 304992		⁵ Property Name WBR Federal			⁶ Well Number 9
⁷ OGRID No. 16686		⁸ Operator Name OXY USA Inc.			⁹ Elevation 3686'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	13	22S	32E		2160	north	2250	west	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16.	9	¹⁷ OPERATOR CERTIFICATION <i>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.</i>	
		Signature David Stewart	Date 10/7/05
		¹⁸ SURVEYOR CERTIFICATION <i>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.</i>	
		Date of Survey	Signature and Seal of Professional Surveyer:
		Certificate Number	

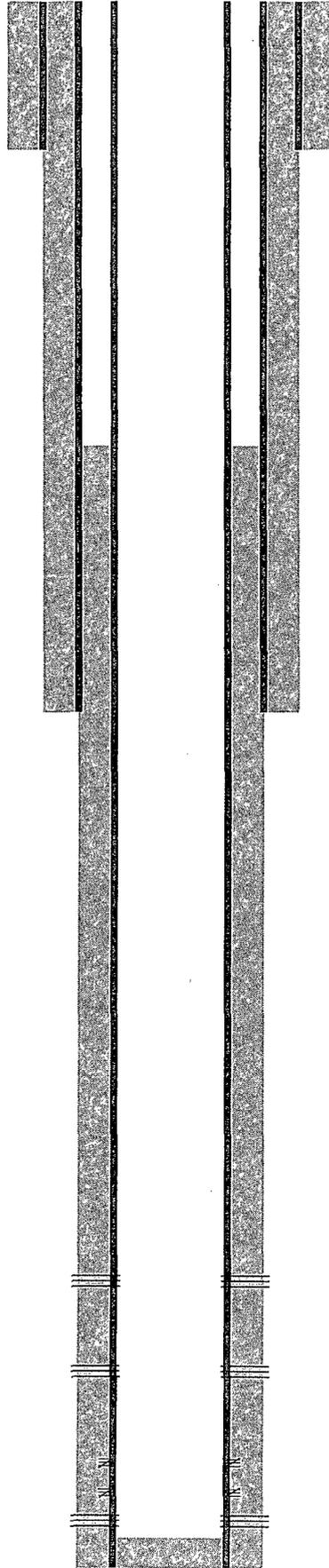
OXY USA Inc.
WBR Federal #9 - 30-025-36063

RECOMMENDED PROCEDURE:

WARNING: A POISONOUS GAS - HYDROGEN SULFIDE (H₂S) - A HIGHLY TOXIC COLORLESS GAS THAT IS HEAVIER THAN AIR MAY BE PRESENT AT THIS LOCATION AND/OR PRESENT IN THE GAS AND LIQUIDS INJECTED OR PRODUCED FROM THIS WELL. PLANS MUST BE REVIEWED DEALING WITH H₂S SAFETY PRIOR TO WORKING ON THIS WELL. CHECK WITH FOREMAN CONCERNING LOCAL CONDITIONS.

1. Check location for hazardous conditions. Ensure well is dead.
2. MI & RU DDPU.
3. PR&P and LD. ND WH & NU BOP
4. POOH w/ Tbg & TAC and LD same.
5. ND BOP & NU WH & RD & MO DDPU.
6. RIH w/RBP and set at 8740 w/5 sx sand POOH & LD Tbg
7. ND BOP and NU Frac Valve and RD and MO WO rig.
8. RU Electric Line Unit.
9. Perforate Brushy Canyon A-4 sand at 8440-50' (30 HOLES), 8494-99' (15 HOLES) & 8512-17' (15 HOLES), W/ 3 3/8" Power Jet 3406 - .37" holes w/3 JSPF (60 Total Shots) on 60 degree phasing.
10. Frac well down casing at 1st available frac date as per the Halliburton Frac Procedure. (Pre-Pad Use Acid 50-100 GAL/FT of perforations and BIO-BALLS) Run 2 drums scale inhibitor in pre-pad just behind acid. Flush frac W/2% KCL.
11. Shut in well for 12-24 hours to cure expedite. Flow well back until dead.
12. RU DDPU & ND FV & NU BOP. PU Production Tubing.
13. RIH w/ notched collar or bit and clean out well to RPB (8740'). Note: This step will need to be refined based on local knowledge, frac, well flowback, etc. Often if there is substantial fill it can be circulated out to the top perf & use a bailer in the perms. However, a air foam unit may be required to sufficiently clean out remaining sand.
14. POOH w/tbg & RIH w/tbg & pkr @ ~ 50' above top perforation. Swab & flow well until sand cleans up.
15. POOH w/ tbg and pkr & RIH w/ production assembly as per lift specialist. ND BOP, NU WH. RD DDPU.
16. TEST WELL INTO BATTERY.

OXY USA Inc.
WBR Federal #9
API No. 30-025-36063



17-1/2" hole @ 975'
13-3/8" csg @ 975'
w/ 950sx-TOC-Surf-Circ

11" hole @ 4600'
8-5/8" csg @ 4600'
w/ 1400sx-TOC-Surf-Circ

Bell Canyon-4862'
Cherry Canyon-5693'
Brushy Canyon-6990'
Bone Spring-8704'

7-7/8" hole @ 10050'
5-1/2" csg @ 10050'
w/ 1900sx-TOC-3040'-CBL

Proposed Delaware Perfs @ 8440-8517'

BS Perfs @ 8830-8884'

Perf @ 9530'sqz w/ 200sx
Perf @ 9750'aqz w/ 100sx
BS Perfs @ 9841-9872'

PB-9985'

TD-10050'