

Order Number

426

API Number

30-125-36415

Operator

Oxy USA-Inc

County

Lea

Order Date

11-17-10

Well Name

WBR Federal

Number

#12

Location

E

UL

13

Sec

225

T (+Dir)

32 E

R (+Dir)

Oil %

87%

Gas %

86%

Pool 1

51689

Red Tank Delaware W

Pool 2

51683

Red Tank Bone Spring

Pool 3

Pool 4

Comments:

Posted in RBOMS 11-23-10 COH

DOWNHOLE COMMINGLE CALCULATIONS:

DHC-HOB -
30-025-36415

OPERATOR: Oxy USA Inc

PROPERTY NAME: WBR Federal#12

WNULSTR: 12 - E - 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>275</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>87%</u>	<u>86%</u>
POOL NO. 2 <u>Red Tank Bone Spring</u>	<u>13% x 505 = 65.65</u>	<u>14%</u>
POOL NO. 3 _____	<u><66></u>	
POOL NO. 4 _____		

<u>OIL</u>	<u>GAS</u>
SECTION III: <u>13% ÷ 275 = 2115.38</u>	_____

SECTION IV: <u>87% x 2115 = 1840.05</u>	<u><18407</u>
<u>13% x 2115 = 274.95</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

RECEIVED

OCT 12 2010

HOBSOCD

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

Form C-103
May 27, 2004

WELL API NO.
30-025-36415

5. Indicate Type of Lease
STATE FEE Fed

6. State Oil & Gas Lease No.
Fed-NMNM58940

7. Lease Name or Unit Agreement Name:
WBR Federal

8. Well Number
12

9. OGRID Number
16696

10. Pool name or Wildcat
Red Tank Delaware, W./ Bone Spring

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 E : 2245 feet from the North line and 790 feet from the west line
Section 13 Township 22S Range 32E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3736'

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
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- OTHER: DHC - Pre-Approved Pools - R-11363
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPLETION

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING TEST AND CEMENT JOB
- ALTERING CASING
- PLUG AND ABANDONMENT

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-426

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:

RECEIVED

OCT 12 2010

HOBBSOCD

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

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 #12 Address E -13-T22S R32E Lea

Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 16696 Property Code 304992 API No. 30-025-36415 Lease Type: Federal State Fee

Table with 4 columns: DATA ELEMENT, UPPER ZONE, INTERMEDIATE ZONE, LOWER ZONE. Rows include Pool Name, Pool Code, Top and Bottom of Pay Section, Method of Production, Bottomhole Pressure, Oil Gravity or Gas BTU, Producing, Shut-In or New Zone, Date and Oil/Gas/Water Rates of Last Production, and Fixed Allocation Percentage.

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 [Signature] TITLE Sr. Regulatory Analyst DATE 10/2/10

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

RECEIVED
OCD-HOBBS

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

SUNDRY NOTICES AND REPORTS ON WELLS NOV 15 2010

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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM58940
2. Name of Operator OXY USA Inc. ✓ 16696		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 50250, Midland, TX 79710-0250	3b. Phone No. (include area code) 432-685-5717	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2245 FNL T90 FWL SWNW(E) Sec 13 T22S R32E ✓		8. Well Name and No. WBR Federal #12 ✓
		9. API Well No. 30-025-36415 ✓
		10. Field and Pool, or Exploratory Area Red Tank Delaware, West Red Tank Bone Spring
		11. County or Parish, State Lea NM

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-426

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David Stewart	Title Sr. Regulatory Analyst
	Date 10/2/10
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by	Title PETROLEUM ENGINEER
	Office
<div style="border: 2px solid black; padding: 5px; display: inline-block;"> <p style="text-align: center; margin: 0;">APPROVED</p> <p style="text-align: center; margin: 0;">NOV 11 2010</p> <p style="text-align: center; margin: 0;">NOV 15 2010</p> <p style="text-align: center; margin: 0;">WESLEY W. INGRAM PETROLEUM ENGINEER</p> </div>	

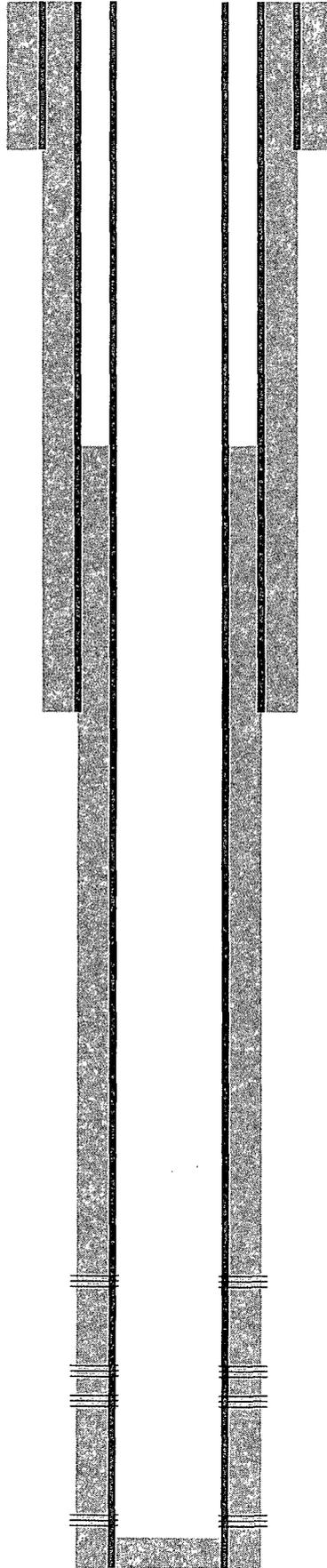
OXY USA Inc.
WBR Federal #12 - 30-025-36415

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 8650 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 8530-40' (30 HOLES) W/ 3 3/8" Power Jet 3406 - .37" holes w/3 JSPF (30 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 (8650'). 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 #12
API No. 30-025-36415



17-1/2" hole @ 1000'
13-3/8" csg @ 1000'
w/ 1105sx-TOC-Surf-Circ

11" hole @ 4610'
8-5/8" csg @ 4610'
w/ 1500sx-TOC-Surf-Circ

Bell Canyon-4925'
Cherry Canyon-5721'
Brushy Canyon-7056'
Bone Spring-8762'

7-7/8" hole @ 10080'
5-1/2" csg @ 10080'
w/ 2000sx-TOC-3050'-CBL

Proposed Delaware Perfs @ 8530-8540'

BS Perfs @ 8888-8904'
BS Perfs @ 9119-9136'

BS Perfs @ 9860-9882'

PB-10027'

TD-10080'